Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1935.

Established 22nd September 1836)

(*Incorporated 18th June 1924*)

00133615

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REPORT

OF THE

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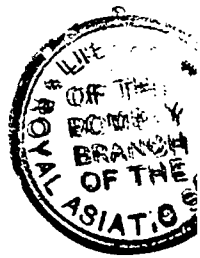
OF THE

Bombay Chamber of Commerce

133615

FOR THE YEAR 1935.



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Presented to the Annual General Meeting held on 11th March 1936.

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ESTABLISHED 22ND SEPTEMBER 1836.

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T. J. A. Scott	1841–46
John Connon	1846–57
John Mawson	1857–59
J. A. Crowe (Acting)	1858–59
H. Brooke	1859–64
James Taylor	1864–73
John Gordon	1873–84
David Watson (Acting)	1881–82
John Marshall	1884–98
Frederick Nöel Paton	1898–1905
J. B. Leslie Rogers	1905–1911
R. E. Gergor-Pearse	1912–1920
C. B. Sayer	1921–1925

R. J. F. Sulivan—Appointed 1925.

* Part year.

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Bombay Chamber of Commerce.

ANNUAL GENERAL MEETING.

THE Annual General Meeting of the Members of the Bombay Chamber of Commerce was held in the rooms of the Chamber, Mackinnon Mackenzie & Company's Building, on Wednesday, 11th March 1936, at 11-30 a.m., to transact the following business:—

1. To adopt the Report of the Committee of the Chamber for the year 1935.
2. To confirm the nomination of the members of the Committee of the Chamber for the year 1936-37 in accordance with the provisions of Article 37 (*g*).
3. To appoint Auditors of the Chamber's accounts for the year 1936 and to fix their remuneration.

Any other business that may be brought forward.

Sir John Abercrombie, KT., M.C., M.L.C., President of the Chamber, presided and was supported by Messrs. G. H. Cooke, E. H. Curling, S. Fuchsmann, J. R. N. Graham, V.C., and W. M. Petrie, Members of the Committee.

Among those present were:—

His Excellency the Right Honourable Lord Brabourne, G.C.I.E., M.C., Governor of Bombay; The Hon'ble Khan Bahadur D. B. Cooper, J.P., Member of the Executive Council; Mr. C. G. Freke, M.A., B.SC., F.S.S., I.C.S., Secretary to the Government of Bombay, Finance Department; Mr. M. Slade, I.C.S., Collector of Customs; Major A. Angelo, Postmaster General; Mr. W. R. G. Smith, Bar-at-Law, Commissioner of Police; Mr. W. D. M. Clarke; H. M. Trade Commissioner; Mr. G. Wiles, C.S.I.,

C.I.E., Chairman, Bombay Port Trust; Mr. C. N. Rich, Docks Manager, Bombay Port Trust; Captain A. G. Kinch, D.S.O., R.I.N., Deputy Conservator, Bombay Port Trust; Mr. Rahimtoola M. Chinoy, President, Indian Merchants' Chamber; Mr. A. D. Shroff, Vice-President, Indian Merchants' Chamber; Mr. J. K. Mehta, Secretary, Indian Merchants' Chamber; Mr. W. T. McCallum, Manager, Reserve Bank of India; The Consuls for the United States of America, Germany and Netherlands; Mr. W. H. Hammond, M.A., F.R.G.S.; Mr. N. Barton, Vice-Chairman, European Association; Mr. E. J. Gough, Secretary, European Group, Bombay Legislative Council; Mr. V. N. Chandavarkar, Mr. C. P. Wadia; Mr. T. Maloney, Secretary, Bombay Millowners' Association; The Editor, Indian Textile Journal; Mr. A. Marshall, of Messrs. Burroughs Wellcome & Co.; Mr. K. S. R. Iyer, of the Bombay Fire Insurance Association.

The following members of the Chamber were also present:—

Mr. G. A. H. Alexander.	
,, L. A. Halsall	The Anglo Siam Corporation Ltd.
,, E. E. Cockram ..	
,, O. S. M. Raw ..	Sir W. G. Armstrong Whitworth & Co., Ltd.
,, G. M. Walker ..	
,, C. W. Ward ..	Messrs. Asbestos Cement Ltd.
,, H. W. Sykes ..	
,, W. J. Ballantyne ..	
,, Jal P. Eranee ..	,, Bell Russ & Co.
,, J. F. Macdonell ..	The Bombay Company Ltd.
Sir Ness Wadia, K.B.E., C.I.E.	The Bombay Dyeing and Manufacturing Co., Ltd.
Mr. W. T. Lane ..	The Bombay Gas Company Ltd.
,, L. W. Boulter ..	
The Hon'ble Mr. R. H. Parker	The Bombay Telephone Co., Ltd.
Sir Joseph Kay, KT. ..	Messrs. W. H. Brady & Co., Ltd.
Mr. D. Moir	

Mr. G. O. Pike	Burmah-Shell Oil Storage and Distributing Company of India Ltd.
,, R. P. Smith ..	
,, D. A. Fyfe	
,, R. G. Hopkins ..	
Capt. W. D. Bacon ..	
Mr. C. P. G. Wade ..	
,, J. Charanjiva ..	
,, W. J. Burrows ..	Messrs. W. J. Burrows.
,, H. E. Ormerod ..	The Cement Marketing Co. of India, Ltd.
,, Rahimtoola M. Chinoy	Messrs. F. M. Chinoy & Co., Ltd.
	,, Indian Radio & Cable Communications Co., Ltd.
,, O. Wuthrich	,, Ciba (India) Ltd.
,, A. J. Bebbington ..	,, Cox & Kings (Agents) Ltd.
,, C. P. Bramble ..	,, Drennan & Co.
,, W. J. Orange ..	,, English Electric Co., Ltd.
Commander H. J. Miller, R.N.R. ..	,, Ericson & Richards.
Mr. F. A. Cole	,, A. F. Ferguson & Co.
,, G. Furze	,, James Finlay & Co., Ltd.
,, C. F. Morris ..	
,, R. W. Bullock ..	,, Forbes, Forbes Campbell & Co., Ltd.
,, G. E. Corey	,, Ford Motor Co. of India, Ltd.
,, F. W. Klatt ..	,, General Motors (India) Ltd.
,, G. C. R. Coleridge ..	,, Gill & Co.
,, T. Sinclair Kennedy	,, Glenfield & Kennedy Ltd.
,, J. B. Greaves, M.L.C.	,, Greaves Cotton & Co., Ltd.
,, A. McIntosh ..	
,, N. Bruce Macbeth ..	,, Guest Keen Williams Ltd.
,, R. D. Warren Smith	
,, H. G. Sale	,, W. T. Henley's Telegraph Works Co., Ltd.
,, R. Preston	,, Herbert Son & Co., Ltd.
,, I. Boardman ..	
,, Donald J. Hill ..	,, Hill, Son & Knox.

Mr. A. J. Stahelin ..	Messrs. Holland Bombay Trading Co., Ltd.
„ W. A. Bell	„ Imperial Chemical Industries (India) Ltd.
„ R. C. Giles	„ Killick Nixon & Co.
„ V. F. N. Paton ..	
„ John Taylor.. ..	„ Kinematograph Renters Society of India, Burma and Ceylon, Ltd.
„ F. T. Boyden	„ Lever Brothers Ltd.
„ A. K. G. Hogg ..	„ Mackinnon Mackenzie & Co.
„ W. Keay	
„ J. E. Bain	
„ A. K. Brown ..	
„ H. Taylor	
„ L. H. Rose	
„ T. W. Cree	
„ W. Allen	
„ N. Barton	
„ Cavasji Cursetji Dalal	„ Moolji Jaitha & Co.
„ L. G. Ellis	„ F. & C. Osler Ltd.
„ J. Platt	„ Pilkington Brothers Ltd.
„ A. S. Micrulachi ..	„ Ralli Brothers Ltd.
„ G. Muspratt	„ Remington Rand Inc.
„ H. G. Pirrie	„ Richardson & Cruddas.
„ F. Stones, O.B.E. ..	„ E. D. Sassoon & Co., Ltd.
„ O. A. Guggenheim ..	„ E. Spinner & Co.
„ H. A. Lindquist ..	„ Steel Brothers & Co., Ltd.
„ L. A. Stronach	„ L. A. Stronach & Co. (India), Ltd.
„ S. D. Saklatvala, C.I.E.	„ Tata Sons Ltd.
„ F. H. French ..	„ Turner Morrison & Co., Ltd.
„ J. A. Gloag	
„ J. Vonesch	„ Volkart Brothers.
„ R. Scherer	
„ G. L. Winterbotham	„ Wallace & Co.
„ S. O. Sundgren ..	„ Western India Match Co., Ltd.

Mr. S. R. Bhagat ..	Messrs. Western India Oil Distributing Co., Ltd.
„ W. M. Martin .. } „ R. K. Williams .. }	„ Wolverhampton Works Co., Ltd.
„ W. R. Berry	The Allahabad Bank Ltd.
„ A. G. Gray	The Bank of India Ltd.
„ D. Laidlaw	The Chartered Bank of India, Australia and China.
„ F. B. Rickett ..	The Hongkong & Shanghai Banking Corporation.
„ A. McCulloch .. } „ J. D. Macgillivray .. }	The Imperial Bank of India.
„ G. J. H. Walls ..	The Mercantile Bank of India, Ltd.
„ D. D. Stoffar ..	The National Bank of India Ltd.
„ E. Rose	The Atlas Assurance Co., Ltd.
„ Hugh Pollett ..	The London and Lancashire Insurance Co., Ltd.
„ R. J. Duff	The New India Assurance Co., Ltd.
„ H. I. Watson ..	The Royal Insurance Co., Ltd.
„ E. E. Trussell ..	The South British Insurance Co., Ltd.
„ H. Chamberlain ..	The Sun Life Assurance Co. of Canada.
Sir Maurice Brayshay, KT.	The B. B. & C. I. Railway Co.
Mr. L. Wilson	The G. I. P. Railway Co.

Mr. R. J. F. Sulivan, Secretary, and Mr. H. Royal, Assistant Secretary of the Chamber.

The notice convening the meeting having been read, Sir John Abercrombie, in opening the proceedings, said:—Your Excellency and Gentlemen,—On behalf of the members of the Bombay Chamber of Commerce, I extend to His Excellency and to all the other distinguished visitors a very cordial welcome. This is the third occasion upon which His Excellency has been present at our Annual Meeting and I should like to acknowledge with gratitude the personal interest he takes in commerce and industry. We greatly appreciate the fact that, in spite of his numerous

engagements, His Excellency is willing to spare us the time which his attendance at our meeting entails.

Since we last met we have seen the rejoicings of the Empire over the Silver Jubilee of King George V and its grief at his death. Few monarchs have received such spontaneous exhibitions of the love and esteem of the mass of their subjects as were accorded to King George V during the Silver Jubilee celebrations in London last May. Few have been mourned as he is mourned. His was a reign of great sufferings and great achievements and when the history of his time is written, he will receive full recognition for his great qualities as a man and a King.

To those who, like ourselves, follow the path of commerce, it is a matter for great satisfaction that to King Edward VIII, as to his sire, the British Empire is not merely a map but lands seen and studied, and of whose difficulties and aspirations he has already an intimate knowledge. His interest in commerce is well known and to him we look for a lead in the solution of the intricate international commercial problems which at present seem insoluble.

The year 1935 opened auspiciously for trade with rising commodity prices and every indication of better times ahead. Optimism, however, was short lived when it was seen that severe frosts which occurred in January had greatly damaged the crops in this Presidency. Speculation in shares and a slump in March was followed by a further break in values caused by the war scare in September, while a silver crisis in August and again in December had serious repercussions not only on commerce but the share market as well. The outbreak of the Italo-Abyssinian War and fears of the spread of hostilities, with the possibility of a blockade of mercantile traffic through the Mediterranean, led to speculation in many commodities. This spurious activity soon waned, but it will be some time before these purchases go into consumption and normal trade can be resumed. The cotton market—the largest of Bombay's many interests—has

recently been plunged into depression by the fall in American cotton caused by the decision of the Supreme Court of the United States of America that the Agricultural Adjustment Administration and the Processing Taxes were unconstitutional. It now awaits with anxiety the steps which the President will take to support the American farmers and the cotton crop.

The difficulties which faced us a year ago are in no way diminished and there is the added danger that in certain quarters the cult of war is once again proclaimed, not as a last resort in extremity, but as a Nation's prerogative. We are still faced with the same restriction of international trade by excessive tariff barriers and the same inability of our clients abroad to buy India's raw commodities freely because they cannot sell their own manufactures. The revival of international trade seems as far off as ever. But lest I harp too much on our difficulties let me recount the more favourable aspects of the present situation. For the first time an attempt has been made to mobilise the force of public opinion against a wanton aggressor. It must be admitted that this first attempt at collective security has been undertaken in unusually favourable circumstances and in a somewhat feeble and halting manner. But at least a start has been made and we can only trust that the strength of the League will grow now that the value of concerted action by the Nations has been demonstrated.

Once again we have had a satisfactory monsoon throughout this Presidency and if no bumper crops have been raised, there is, at least, no shortage either for home consumption or export. Money is cheap and there has been a veritable boom in land and building in the Island of Bombay. We have been spared labour trouble and the local mill industry is expanding though not perhaps with the profitable results its directors and shareholders would like to see.

During the year the Government of India have enjoyed a period of financial ease and were able to borrow both in London and locally at phenomenally low rates of interest. In India,

while debt amounting to Rs. 37 crores was paid off only Rs. 15 crores was borrowed. With regard to Banking, the outstanding event during the year was undoubtedly the inauguration of the Reserve Bank of India on 1st April last. Owing to the abundance of liquid money interest rates have been and still are on a lower level than ever known or, I believe, contemplated in India. The result has been that the Reserve Bank's requirements from the ordinary or Scheduled Banks have not hitherto caused any material inconvenience such as was anticipated a year or two ago. The shares of the Reserve Bank are held by a large number of small investors as well as by capitalists, and its directors are unconnected with the Legislature. I believe that the transfer of a very large portion of the financial business of the Government of India to such an institution will be of definite advantage in keeping the country on safe and sound lines under what is practically a revised system of financial control. The comparative silence which surrounds the Reserve Bank of India and its operations may be regarded as an augury for the success of that institution.

The Budget.

Sir James Grigg is to be congratulated on a sound budget. We are very glad that he has been able to make another reduction in the surcharge on income-tax and particularly to exempt altogether from tax incomes below Rs. 2,000 per annum. This will bring much needed relief to the clerical and middle classes. We also greatly welcome the postal concessions increasing the weight of the one anna letter from half to one tola. In view of the upward swing of the prosperity revealed by the Finance Member's figures, I should have thought that, without departing from the canons of financial orthodoxy, he might have seen his way to redeem in full his predecessors' pledge and abolish entirely the emergency taxes on income. It is scarcely necessary to say that we look for the abolition of the balance of the surcharge next year before any other tax relief is considered. In our opinion the abolition of surcharges both on income-tax and

Customs duties is a pre-requisite for the inauguration of the new Constitution on a sound basis. We recognise, however, that an effort is being made to help out the finances of the first year of Provincial Autonomy by transferring to the revenue reserve fund the surplus of 197 lakhs remaining over from 1935-36. In regard to the Bombay Budget, I think I have already said enough on the subject in another place. I would only here repeat that we feel rather strongly about the continuance from year to year of the electricity tax. It was originally imposed as an emergency tax and now that the emergency is passed it should be removed or brought in as a separate measure on its own merits and not linked with court fees and stamp duties. While on the subject of budgets central or provincial, a reflection occurs to me on the use of the word "emergency" in Government parlance. Its duration appears to vary widely according as it is applied to measures of taxation or the salaries of officials.

New Constitution.

The most important event in 1935 has been the passing of the India Act after 8 years of commissions, conferences and deliberation, and it is possible that we may see the inauguration of Provincial Autonomy before my successor relinquishes office. This Chamber has played a constructive part in the framing of the new constitution and proposes, so far as the limited representation permits, to take an effective interest in its working.

It has been generally conceded that, in the past, the representatives of European Commerce have contributed honourably and usefully to the work in the Legislatures, and I am sure that in the future they will maintain these high traditions. Their function will be not merely that of a small permanent opposition, but to support the popularly elected ministries in the passing of sound and useful measures. The ideal is independence, owing allegiance to no party but ready to make alliances with other minorities if the necessity arises.

In this connection I should like to quote from a speech made by His Excellency the Viceroy at the Annual Meeting of the Associated Chambers of Commerce in Calcutta last December :—

"I have no doubt that, as in the past, your leaders will be willing to come forward and take their part in the public life of the country. It will be their function to voice your interests but above all things keep this fact before you; the future destinies of India, her welfare, her progress and prosperity, these are all matters of no less concern to you than to those for whom India is their home and mother-land. India's interests are your interests whole heartedly and in full measures.

"May I ask you to associate yourselves with all that leads to the advancement of this country and adds to her position and advancement? If you hold this ideal constantly before you I am sure you will be fully recompensed in the future."

Niemeyer Enquiry.

One very important matter in connection with the new Constitution is the financial adjustments which will have to be made between the Federal Centre and the Provinces. Sir Otto Niemeyer is now in India collecting information as to the budgetary position of the various Provinces and will make recommendations to His Majesty's Government on the financial matters which still remain to be prescribed by His Majesty in Council. The views of this Chamber have been submitted, and we have hopes that at length the glaring inequities of the Meston Settlement, which did much to stultify the Montagu-Chelmsford Constitution so far as Bombay was concerned, will be once for all removed.

Delimitation of Constituencies.

Delegates from this Chamber have given evidence before both the Provincial Delimitation Committee and the Hammond Committee. Relying upon the somewhat ambiguous phraseology of the footnote to the Communal Award, they laid claim to

three of the seven Commercial seats. This claim, however, has not been admitted and the Hammond Committee have allocated three seats to a joint European Commercial Constituency consisting of this Chamber and the Trades Association, with the proviso that one of these seats shall be reserved for the Trades Association. The recommendations of the Hammond Committee also provide for each member of the Chamber to nominate three representatives anyone of whom, but not more than one, may be entitled to vote. All or any of the three representatives, however, may stand for election to the seats allocated to the constituency. This arrangement should remove many of the difficulties which have been experienced in the past. The new proposals for placing a financial franchise qualification upon members may assist Commercial associations in other parts of the country, though the idea did not meet with the approval of the Committee of this Chamber, who felt that, subject to the provisions of the India Act, membership of the Chamber or Association concerned should be the sole voting qualification in a Commercial constituency.

Sir Hubert Carr.

I cannot pass on from the subject of the New Constitution without placing on record our very great appreciation of the work of Sir Hubert Carr. For five years he was indefatigable in looking after our interests and it was largely due to his ability, persistence and tact that we were able to secure the inclusion in the Act of many of the points we considered of vital importance. It is a matter of great satisfaction to the British Commercial Community in India that His Majesty has honoured him with a K.C.I.E.

Income Tax Enquiry.

Members are aware that an exhaustive examination of the Indian Income Tax system has been instituted and that British Income Tax experts are touring the country with Khan Bahadur J. B. Vachha, Commissioner of Income Tax, Bombay, for the

purpose of collecting information. The Committee are deeply indebted to the Income Tax Sub-Committee who, with the Hon'ble Mr. R. H. PARKER, collated the information and views collected from members and drew up the Chamber's written memorandum on which their own oral evidence to these experts was based.

PIECEGOODS TARIFF ENQUIRY.

A special Tariff Board under the Chairmanship of Sir Alexander Murray recently visited Bombay for the purpose of reviewing the present conditions in the light of the experience of the effectiveness of the existing duties and of recommending the level of duties necessary to afford adequate protection to the Indian Cotton Textile Industry, against exports from the United Kingdom. The Chamber has millowner as well as importing members and it was difficult for the Committee to decide upon the proper course for the Chamber to follow. Since the views of the manufacturers of Indian textiles would be expressed by the Millowners' Association, whereas the importers of Lancashire piecegoods had no Association to represent their interests, it was decided that the Chamber should forward the views of the importers, clearly stating that the members interested in the Indian industry did not support them. The memorandum submitted by the Chamber was drawn up by Messrs. A. L. HUTSON, A. SOTIRIADI and H. A. HENRY who also gave oral evidence before the Board. On behalf of the numerous members of the Chamber, not engaged in the textile business, whether manufacture or import, but vitally interested in the promotion of trade in general and with the United Kingdom in particular, the Committee felt they would not be exceeding their prerogative in expressing sympathy with the point of view put forward in the memorandum.

ST. GEORGE'S HOSPITAL.

The Vice-President, in his speech at our annual meeting last year, mentioned the report of the Winterbotham Committee on the administration of St. George's Hospital, and the acceptance

by Government of many of its recommendations. The most important of these was that the management of the lay administration of the Hospital should be handed over to a Committee upon which the non-official European community should be adequately represented. The Hospital Committee was formed about nine months ago and though this Chamber has no actual representation on it, Mr. J. B. GREAVES, and in his absence, Mr. SINCLAIR KENNEDY have kindly kept the Chamber Committee informed of its work. The whole European population of Bombay is keenly interested in the welfare of this Hospital and I would express the hope that an annual report may be issued so that the community may judge the extent to which the Managing Committee's recommendations have been accepted and carried out.

I do not propose to comment upon the other numerous matters of importance which have engaged the attention of the Committee during the past year. Members are advised of current events of importance through the monthly excerpts and full details are published in the annual reports.

I am glad to report that the finances of the Chamber are in a satisfactory condition and the Committee have been able to restore the 5 per cent. cut in salaries instituted in 1933 to meet the falling revenue. There still remains the cut in the Provident Fund which the Committee did not feel justified in restoring though they hope that their successors will be able to make a full and final restoration of all cuts at the end of the present financial year. The accounts for the year 1935 show a balance of receipts over expenditure of Rs. 4,717-4-6 and the membership to-day is 194 which is the highest ever recorded. It is satisfactory to note that, except for a slight check during the worst years of depression, there has for many years now been steady growth in the membership of the Chamber.

HISTORY AND CENTENARY.

Members will be aware that the centenary of the Chamber takes place in September 1936, and since the Bombay Chamber

is the oldest Chamber of Commerce in India, it was thought that so important an event should not be allowed to pass unnoticed. It has therefore been decided to publish a history of the work of the Chamber during the first hundred years of its existence. Thanks to the generous response to the circular asking for the number of copies members would buy, the publication of the history is not likely to prove a serious burden on the finances of the Chamber. In spite of the fact that most of our earlier records have been irretrievably damaged by the floods in 1931, the Secretary, Mr. Sulivan, has unearthed some very interesting material and the history of the Chamber should prove a valuable addition to the annals of Bombay.

In mentioning our own Centenary, I am reminded that the diocese of Bombay also reaches its centenary this year. The Bishop has already launched an appeal for subscriptions to a fund to endow the Bishopric of Bombay and to provide for the pay of a certain number of Chaplains for the Presidency. In the future, the maintenance of the clergy will devolve to a great extent upon the community and this endowment fund is an object which should command the support of firms and companies who desire to secure for future generations of their employees the enjoyment of the religious observances in which they have been brought up. It is a burden that cannot be undertaken entirely by the individuals who happen to be here at this particular juncture, and I trust that when the appeal reaches you, those who cannot decide off hand will commend it to their head offices.

To the Vice-President and to the Members of the outgoing Committee, I tender my sincere thanks for their unstinted help and advice. To Mr. LELY I owe a special debt of gratitude. Not only did he act for me during the three months of my absence in England but throughout the year his calm judgment, his ready pen and his genial personality have been invaluable to the Committee. It is unfortunate that he is unable to be present to-day as I am sure that you will all wish me to voice, on the eve

of his retirement from India, the deep gratitude of the members of this Chamber for his outstanding services during the past five years.

I cannot speak too highly of the services rendered by the Secretary, the Assistant Secretary, and the staff and, in particular, by Mr. Royal who, during Mr. Sulivan's absence on leave acted as Secretary. As a measure of economy, we have been working with the smallest possible staff and when in August and September we suffered from an epidemic of sickness, it was only by the most loyal and unselfish work on the part of those who did not succumb, that we were able to carry on with the normal routine of the Chamber.

I desire to congratulate you on the election of Mr. Halsall and Mr. Hogg as President and Vice-President for the ensuing year. I am confident that your choice is a good one and that the affairs of the Chamber could not rest in more capable hands.

I now beg formally to move that the Report of the Committee of the Bombay Chamber of Commerce for the year 1935 be and is hereby adopted and confirmed.

Mr. G. H. Cooke, said:—In the absence of our Vice-President, Mr. Lely, it is my privilege to-day to second the Resolution moved by the President that the Report for the year be adopted and confirmed, and in doing so, I would like to refer to one or two matters which the President has excluded from his review.

Back Bay Reclamation Scheme.

The first point to which I would like to refer is the development of the Back Bay Reclamation. We were somewhat disturbed by the appearance a month ago of a press note regarding certain modifications on the Back Bay reclamation scheme. I am not now concerned with the actual decisions announced in this press note, though these seem to indicate that the lay-out was subject to rather haphazard revision. But the press note,

together with a representation from the Western India Automobile Association on the same subject, led your Committee to look into the question of the lay-out of the Reclamation a little more closely than they had hitherto done.

In this matter we feel we are planning for future generations who will hold us accountable. We have not yet had time to proceed very far with our examination, and obviously it is largely a matter for experts. But we have been led to wonder whether sufficient attention has been paid by the Department concerned to the necessity for meeting modern conditions in good class residential areas. Is it realised, for instance, that garage accommodation, as well as parking space, is required on the basis of at least one car per householder and that servants' quarters are no longer adequate unless they make provision for the accommodation of motor drivers ? Further is it realised that it is wasteful to allow modern roads built to carry fast moving traffic, to be used for parking purposes ?

In this connection I would like to draw attention to the fact that the more recent London County Council schemes for suburban development provide for inexpensive roads, known as "service roads", adjacent to the buildings. These service roads provide the necessary parking space for stationary vehicles of residents and tradesmen and at the same time leave the more costly traffic road 100 per cent. available for moving vehicles.

In addition, the plan accompanying the press note indicates that insufficient space is being provided between blocks of buildings and between buildings and roads. Garden space, for instance, if imposed by regulations in the original lay-out between roads and buildings might provide a much needed extension of road space at some future date.

The Government of Bombay are naturally concerned in recouping some of the losses incurred in the past. I would, however, appeal to them to look ahead and make the utmost of the opportunity which they now have of modern scientific

town planning on the new area which is to be developed. Before it is too late, I suggest that the whole Reclamation scheme should be re-examined in consultation with the best expert advice available and in the light of the most up-to-date urban development in western countries. Without wishing in any way to reflect on those hitherto responsible who we know have been acting in what they have conceived to be the best interests of Government and the public, I suggest that it is essential that a comprehensive scheme be drawn up which will not in future be subject to modification in accordance with either the vagaries of individual engineers temporarily in charge, or of the whims of prospective purchasers. The guiding principle of any revision of the scheme should be, I think, not to obtain quick returns by the rapid disposal of building sites but to secure for Bombay for ever a residential and recreational area of high value and lasting beauty.

While on the subject of the Reclamation, perhaps I may be permitted to express a hope that the possibility of providing a civil aerodrome for Bombay on block No. 7 and a portion of either block No. 8 or block No. 6 will not be forgotten or abandoned. Possibly it is a blessing in disguise that blocks Nos. 6 and 7 are not yet ready for the builder, for so long as they remain undeveloped, they hold out to Bombay the wonderful opportunity of having an aerodrome adjacent to the business quarter, as well as to the sea and rail termini and one which would permit of economical operation in conjunction with a seaplane base in the harbour.

Spurious Drugs.

Another question which has engaged our attention during the year is the reports in the Press regarding the dissemination amongst the public of imitations of well known drugs and medicines. Fruit salts, aspirin and insulin were some of the products mentioned. In some cases, the use of these faked preparations involved danger to health or even life itself. It was clear that

the substitution of branded medical products by rubbish or worse had reached a serious stage.

Your Committee at once took the matter up, not only in the interest of some of their members—and I may add of several firms who are not members of the Chamber—but also in the interest of the ignorant and easily gullible masses of the public who are at present being victimised by spurious drug merchants. The difficulties in the way are many. The Government of India are waiting to take action on the Drugs Inquiry Committee's report, which was published some years ago, until the Provincial Governments have set up machinery for giving effect to the legislation, and this the Provincial Governments are deterred from doing on grounds of expense.

The matter is complicated by the fact that a number of different legislative enactments are involved. If your Vice-President were here, he would no doubt give you a lucid exposition of the whole problem. He did yeoman service in giving the matter publicity at the Council Session in Poona last year, but even with the assistance of a benevolent President, he was unable to do more than ventilate it, and could achieve nothing concrete.

I do not propose to go into the details to-day. You will find the main facts in the report before you and the file is available for inspection by any member seeking further information. What I do wish to do before leaving the subject is to make an earnest appeal to Your Excellency's Government to have the matter thoroughly examined, if necessary by a special officer, with a view to arriving at the most effective method of overcoming the various difficulties. For it seems clear that the Government of India will not move until the Provinces have shown a disposition to do their part.

The spurious drug traffic has reached proportions which call for its immediate suppression both in the interests of honest trading and of the poor and ignorant. I hope that the Government of Bombay will find it possible to formulate proposals

to deal with the evil on practical and economic lines in the near future. They may in any case be assured of the hearty support of this Chamber for any reasonable proposals, and as regards expense, I think it will be agreed that the Chamber's representatives in Council have not in the past shown themselves niggardly in supporting grants for necessary and beneficial measures.

Weights and Measures Act.

In August last the Bombay Weights and Measures Act which was passed in 1932, came into operation in Bombay City and some six or seven districts in the Presidency. As is only natural when a measure of this nature is introduced, affecting, as it does practically every form of trade, difficulties which could not have been foreseen soon made their appearance. Government gave a very sympathetic hearing to the representations which were made on behalf of certain trades, and, whilst maintaining the principle that the Act must be effective to check the evils which it is intended to prevent, they have undertaken to amend the Act as may be necessary to make it a practical legislative measure.

The Act as it stands, is applicable to weights and measures used both in retail and wholesale trades and I have heard the hope expressed that when Government are considering their amendments in due time, they will find it possible to shape the Act so that it will follow more closely the lines of the equivalent Act in Great Britain which is applicable only to trading in which resale to the public is involved. In Britain it is considered that those who deal in commodities on a wholesale basis are competent to see that they buy and sell in correct measure and that they need no protection from one another by means of legislation.

In this country the same may be true of wholesale trader in the urban areas, but, since the Act is designed to protect among others, the agriculturist, when he delivers his crops to the trader and the moneylender, it will, I am afraid, not be possible for our Act to follow the less complicated measure

obtaining in Britain in this important respect. We have every confidence, however, that the legitimate requirements of individual trades and industries will be considered on their own merits. We also trust that we may look forward to a reduction in the high scale of the charges at present in force for the verification and stamping of weights and measures, as soon as the Act becomes operative over a larger portion of the Presidency.

Regulation of Lifts.

There is just one other matter to which I would like to refer before I close. A year or two ago the Chamber was in correspondence with the Government of Bombay regarding the compulsory installation of safety devices in lifts and their regular inspection by competent lift engineers. Then there was a question of introducing all-India legislation on the subject, but the Government of India have decided against this, so the matter now rests with the Government of Bombay.

We are told that the question of introducing legislation is under consideration, and I would like to suggest that the necessity for the control of lifts is now becoming a matter of some urgency in view of the very large number of buildings which are being erected in every part of the city. I may say that this Chamber has always cherished and still cherishes the hope that the necessary legislation in this matter will come on to the Statute Book as a precautionary measure, and not as the result of public apprehension after a serious accident has occurred.

I now have much pleasure in seconding the adoption of the report.

The Report was then adopted unanimously.

His Excellency the Governor said:—Mr. President and Gentlemen,—The two great events of the past year, His Majesty King George's Silver Jubilee and his all too sudden death so soon thereafter, have left a profound effect on the

country, because, for a short time, petty matters of politics were forgotten and the deep seated loyalty of the bulk of India's population was made manifest. Though such manifestations pass and appear to be forgotten when the routine of daily life is resumed, they have a lasting effect in that, however briefly, the underlying feelings of the people and the superficial recriminations and squabbles of politics are seen in their true perspective.

The commercial position of the world is still unsatisfactory, but in England there are sure signs of improvement, to some extent discounted by the necessity for increased expenditure. The position in India is best illustrated by the recent budgets. The Government of India have shown a substantial surplus which has rendered possible a reduction in income tax, and surpluses in coming budgets are foreshadowed. This can only be considered as a most satisfactory position, but we must remember how very closely trade, and therefore budgets, are linked up with political events, and I sincerely trust that nothing will occur, either here in India or in other parts of the world to falsify the more cheerful frame of mind which we were all so glad to notice in Sir James Grigg's budget speech.

In our local budget there is an improvement, but Bombay has for so long been deprived of its main source of expanding revenue, namely, Income Tax, and has had to make such drastic retrenchments, that it will necessarily be a long time before the financial position can become at all easy. In view of the criticism you have just heard of the restoration in pay cuts, may I point out that this restoration, so far as it concerns the All-India Services, was made not by the Government of Bombay nor by the Government of India, but by the Secretary of State? You will, I feel sure, agree with me that, when once the cuts were restored in the All-India Services, they could hardly be retained in the Provincial and other Services. To have done so would, in my opinion, have been most unfair, and would have given the latter Services a very just cause for complaint.

The position just before the inauguration of the Reforms is thus not unfavourable. I think your Chamber will not be dissatisfied with the recommendations of the Hammond Delimitation Committee, and I am very glad to gather from the President's speech that the Chamber is likely to continue to take its full share in the political activities of the future. For the constitution to work satisfactorily it will be necessary for the representatives of all interests to take part and assist in the deliberations of the elected bodies. It will not do for each section of the community to use its influence only when its own particular interests are concerned. You cannot expect other parties to pay much attention to your demands if you follow the policy of holding aloof when their affairs are under discussion. I feel sure that I can rely on your Chamber always using its weight on the side of sane and useful legislation for the maintenance of good order and the conditions necessary for uninterrupted trade and industry.

The unsettling effect of speculation on markets has been mentioned by the President. This is an evil of the commercial community itself, and I hope the Chamber will do its utmost to discourage these pernicious activities which have most unfortunate reactions on both trading and producing interests.

A welcome indication of returning prosperity is the steady demand for land in Bombay City and Island. Very careful consideration has been given to the lay-out and building condition of the Back Bay Reclamation area so as to preserve local amenities, and I am glad to say that the demand for plots is increasing, and preparations are in hand to meet this further demand. Much as we may regret the disappearance of the wide space open to the sea to which we had become accustomed, we must realise that the Reclamation is now fulfilling its purpose of providing room for expansion and for better road communications in the restricted area of Bombay Island. The disposal of this land will also lighten the load of debt on Bombay development.

A matter which I know is of great interest to you all is the management of St. George's Hospital. Government have already issued orders that the accounts of the Hospital should be published by the Managing Committee in a prescribed form, and the request for an annual report will be considered in consultation with the Surgeon-General. The transfer of the Surgeon-General's office to Bombay will enable him to keep the requirements of St. George's more closely under his eye, and I hope the Chamber will maintain its interest in this hospital.

I wish to take this opportunity of thanking your Chamber for a successful year's work,—work which is of importance to the whole commercial community, and therefore to Government as well. You can look back on one hundred years of solid achievement, and I trust that the coming year, and years, will prove that your activities and interests are always on the increase.

Mr. A. G. Gray proposed and Mr. J. B. Greaves, M.L.C., seconded :—

"That the thanks of the Chamber be tendered to the President, the Vice-President and the outgoing Committee for their able conduct of the affairs of the Chamber during the past year."

The proposition was carried with acclamation.

The Hon'ble Mr. R. H. Parker proposed, Mr. R. W. Bullock seconded and it was agreed :—

"That the nomination of the following members of the Committee of the Bombay Chamber of Commerce for the year 1936-37 in accordance with the provisions of Article 37 (*g*) be and is hereby confirmed :—

MR. W. A. BELL.
MR. F. H. FRENCH.
MR. J. F. MACDONELL, M.C.
MR. R. SCHERER.
MR. F. STONES, O.B.E.
MR. D. D. STORRAR.
MR. J. R. D. TATA.

MR. N. B. MACBETH proposed, MR. E. H. CURLING seconded and it was agreed :—

"That MESSRS. A. F. FERGUSON & Co. be and are hereby elected Auditors of the Chamber's accounts for the year 1936 at the remuneration hitherto paid to them."

On the proposal of MR. L. A. HALSALL, seconded by MR. T. SINCLAIR KENNEDY, M.L.C., a hearty vote of thanks was accorded to His Excellency the Governor for attending and addressing the meeting.

A vote of thanks to the President terminated the proceedings.

Bombay Chamber of Commerce

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ANNUAL REPORT

FOR 1935.

ELECTION OF PRESIDENT AND VICE-PRESIDENT OF THE CHAMBER FOR THE YEAR 1936-37.

In accordance with the prescribed regulations Mr. L. A. Halsall and Mr. A. K. G. Hogg, were elected President and Vice-President, respectively, of the Chamber for the year 1936-37.

COUNCIL OF STATE.

Chamber's Representative.

In July 1935 The Hon'ble Sir Ernest Miller resigned his seat as the Chamber's representative in the Council of State and Mr. R. H. Parker was elected to serve in his stead.

BOMBAY LEGISLATIVE COUNCIL.

Chamber's Representative.

Mr. G. L. Winterbotham and Mr. J. B. Greaves, the Chamber's representatives in the Bombay Legislative Council, resigned their seats in May 1935 on proceeding to Europe and Mr. W. G. Lely and Mr. J. D. Boyle were elected to serve in their stead. In August 1935 Mr. Boyle resigned his

seat on being elected to the Legislative Assembly by the Bombay European Constituency and SIR JOHN ABERCROMBIE, Kt., M.C., was elected to serve in his stead.

BOMBAY PORT TRUST.

CHAMBER'S REPRESENTATIVES.

In January 1935 MR. T. E. CUNNINGHAM, one of the Chamber's representatives on the Board of Trustees of the Port of Bombay, resigned his seat and MR. F. H. FRENCH was elected to serve in his stead.

The terms of office of MESSRS. G. H. COOKE, F. H. FRENCH, A. K. G. HOGG, W. G. LELY and E. C. REID, M.C., as the Chamber's representatives on the Board of Trustees of the Port of Bombay expired on the 31st March 1935. A ballot was held on the 6th March 1935 and MESSRS. G. H. COOKE, J. J. FLOCKHART, F. H. FRENCH, W. G. LELY and R. C. LOWNDES were elected to serve for a period of two years from 1st April 1935.

MR. FRENCH having obtained seven months' leave of absence from the Board meetings, a ballot was held on the 3rd May 1935 and MR. W. M. PETRIE was elected to serve during the absence of MR. FRENCH.

BOMBAY MUNICIPAL CORPORATION.

CHAMBER'S REPRESENTATIVE.

The term of office of MR. (now SIR) ALWYN EZRA as the Chamber's representative in the Municipal Corporation expired on the 31st March 1935 and MR. C. P. G. WADE was elected to represent the Chamber for a period of three years from the above date.

CENTRAL ADVISORY COMMITTEE FOR LIGHTHOUSES.

REPRESENTATIVES OF EUROPEAN COMMERCE.

In February 1935, the Chamber was informed by the Associated Chambers of Commerce of India that the term of office of the representatives of the Association on the Central Advisory Committee for Lighthouses would expire on the 31st March 1935 and was requested to state whether the sitting representatives, MESSRS. F. BIRLEY, A. B. MALLETT and A. K. G. HOGG should be renominated to serve on the Advisory Committee. The Committee of the Chamber while approving the renomination of MESSRS. BIRLEY and MALLETT mentioned that MR. HOGG was going on leave and that they desired to submit the name of MR. J. J. FLOCKHART to serve in his stead. The Committee were subsequently informed that the Association had submitted the names of MR. R. D. DENNISTON (in place of MR. BIRLEY), MR. A. B. MALLETT and MR. J. J. FLOCKHART to the Government of India.

In March 1935 intimation was received from the Associated Chambers of Commerce of India that at their meeting held on the 19th January 1935 the Central Advisory Committee for Lighthouses had agreed to the following proposals :-

(*i*) The acquisition and extension of a portion of the building at present being used as a Lighthouse Workshop at Madras.

(*ii*) The withdrawal of the Cheduba Straits Buoys in the Rangoon Lighthouse District.

(*iii*) The improvement in the Rajapur Bay Lighthouse in the Bombay Lighthouse District.

(*iv*) The provision of fencing round the Point Calimere Lighthouse in the Madras Lighthouse District.

(*v*) The revision of the rates of contribution paid towards the upkeep of certain local lighthouses.

(*vi*) The payment to the General Revenues of the Government of India of a contribution on account of the pensionary liability in respect of the staff transferred from the various Port Funds to the Lighthouse Department on the 1st April 1929.

The question of a reduction in the rate of light dues was raised but as the position was still the same as in the last year, the point was not pursued further.

PERSIAN GULF LIGHTING SERVICE ADVISORY COMMITTEE.

Chamber's Representative.

Mr. C. F. Morris, the Chamber's representative on the Advisory Committee of the Persian Gulf Lighting Service, resigned his seat in February 1935 on proceeding on leave and Mr. G. Furze was nominated to serve in his stead. On the return of Mr. Morris from leave Mr. Furze resigned his seat and Mr. Morris was nominated to serve in his stead.

ROYAL BOMBAY SEAMEN'S SOCIETY.

Chamber's Representative.

In February 1935, the Committee renominated Mr. R. J. F. Sulivan to serve as a member of the Royal Bombay Seamen's Society under the provisions of Rule 1 (*e*) of the Rules and Regulations of the Society.

INDIAN SAILORS' HOME COMMITTEE.

Chamber's Representative.

Mr. A. K. G. Hogg, the Chamber's representative on the Committee of management of the Indian Sailors' Home,

Bombay, resigned his seat in April 1935 on proceeding on leave and the Committee nominated MR. J. J. FLOCKHART to serve in his stead.

EMPIRE COTTON GROWING CORPORATION.

CHAMBER'S REPRESENTATIVE.

MR. L. F. H. GOODWIN who was nominated in 1934 to represent the Chamber on the Council of the Empire Cotton Growing Corporation returned to India in March 1935 and the Committee nominated MR. S. B. SAMOILYS to serve in his stead.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

REPRESENTATIVE OF THE ASSOCIATED CHAMBERS.

The term of office of Sir JOSEPH KAY as the representative of the Associated Chambers of Commerce of India on the Imperial Council of Agricultural Research expired on the 23rd May 1935 and the Committee of this Chamber suggested that he should be renominated to serve for a further period of three years. The Committee were subsequently informed that the Associated Chambers had submitted the name of Sir JOSEPH KAY for re-appointment for a further term of office.

BOMBAY BOARD OF COMMUNICATIONS.

CHAMBER'S REPRESENTATIVE.

In February 1935 the HON'BLE Mr. (now Sir ERNEST) MILLER, the Chamber's representative on the Bombay Board of Communications resigned his seat on proceeding to Europe and the Committee nominated MR. G. H. COOKE to serve in his stead.

AUXILIARY FORCE ADVISORY COMMITTEE.

CHAMBER'S REPRESENTATIVE.

In February 1935 Lt.-Col. W. T. C. HUFFAM, O.B.E., M.C., the Chamber's representative on the Auxiliary Force Advisory Committee resigned his seat on proceeding to England and the Committee of the Chamber nominated MR. V. F. NOEL PATON to serve in his stead.

The term of office of the Advisory Committee for the Bombay District under the Auxiliary Force Act, 1920, expired on the 20th August 1935 and the Committee of the Chamber re-nominated MR. NOEL PATON to serve as the Chamber's representative for the year 1935-36.

BOMBAY SMOKE NUISANCES COMMISSION.

CHAMBER'S REPRESENTATIVE.

In September 1935, the Government of Bombay informed the Chamber that the period of constitution of the Bombay Smoke Nuisances Commission would expire on the 31st December 1935 with effect from which date a new Commission would have to be constituted under the Bombay Smoke Nuisances Act for a further period of two years. The Chamber was requested to nominate its representative on the new Commission. The Committee re-nominated the Chamber's existing representative, *viz.*, MR. H. F. MILNE.

GOVERNOR'S HOSPITAL FUND.

CHAMBER'S REPRESENTATIVE.

MR. C. N. MOBERLY, C.I.E., the Chamber's representative on the Committee of the Governor's Hospital Fund, resigned his seat in September 1935 on retirement from India and MR. A. S. TROLLIP was nominated to serve in his stead.

G. I. P. AND B. B. & C. I. RAILWAYS LOCAL ADVISORY COMMITTEES.

CHAMBER'S REPRESENTATIVE.

In April 1935 MR. L. A. HALSALL, the Chamber's representative on the G. I. P. and B. B. & C. I. Railways Local Advisory Committees, obtained leave of absence on proceeding to Europe and MR. A. MCINTOSH was nominated to serve during his absence.

INDIAN CENTRAL COTTON COMMITTEE.

CHAMBER'S REPRESENTATIVE.

The term of office of MR. H. B. MOORE as the Chamber's representative on the Indian Central Cotton Committee expired on the 31st March 1935 and MR. M. S. DURUTTI was nominated to serve in his stead.

MR. DURUTTI was transferred from Bombay in August 1935 and MR. A. A. SARANTIDES was nominated to serve in his stead.

SUB-COMMITTEES.

The undermentioned gentlemen were nominated to serve on the following Sub-Committees of the Chamber for the year 1935-36 :—

Import.	*Shipping & Export.*
A. L. Hutson, Esq. (*Chairman.*)	W. Keay, Esq. (*Chairman.*)
W. A. Bell, Esq.	D. Stewart Brown, Esq.
W. J. Burrows, Esq.	Meyer Nissim, Esq.
O. A. Guggenheim, Esq.	M. Paspatti, Esq.
H. A. Henry, Esq.	W. L. A. Radcliffe, Esq.
A. Sotiriadi, Esq.	R. Scherer, Esq.

Finance.

A. G. Gray, Esq. (*Chairman.*)
D. Laidlaw, Esq.
The Hon'ble Mr. R.H. Parker.
G. C. Pocock, Esq.
Sir Kikabhoy Premchand, Kt.
J. G. Ridland, Esq.

Labour.

F. Stones, Esq., O.B.E. (*Chairman.*)
W. Keay, Esq.
R. Mather, Esq.
H. G. Pirrie, Esq.
Lt.-Col. W. B. Roberts, D.S.O.

Industries (including Electricity).

C. N. Moberly, Esq., C.I.E. (*Chairman.*)
W. J. Ballantyne, Esq.
E. J. C. Herring, Esq., M.I.E.E.
V. F. N. Paton, Esq.
A. W. Percy, Esq.
F. Stones, Esq., O.B.E.
S. O. Sundgren, Esq.
J. R. D. Tata, Esq.

Weather Working Days.

J. J. Flockhart, Esq. (*Chairman.*)
J. R. N. Graham, Esq., V.C.
W. M. Petrie, Esq.

Docks & Railways.

R. C. Lowndes, Esq. (*Chairman.*)
A. J. Bebbington, Esq.
D. Harrington, Esq.
G. D. Moore, Esq.
E. J. Pakes, Esq.
J. H. F. Raper, Esq.

Cotton.

G. C. R. Coleridge, Esq. (*Chairman.*)
M. S. Durutti, Esq.
L. F. H. Goodwin, Esq.
R. G. Saraiya, Esq.
F. B. Thornely, Esq.
J. Vonesch, Esq.

Income-Tax.

L. Blunt, Esq. (*Chairman.*)
G. A. H. Alexander, Esq.
G. C. Pocock, Esq.
B. J. Whitby, Esq.

Statistics.

S. Fuchsmann, Esq. (*Chairman.*)
R. P. Smith, Esq.
J. E. Tew, Esq.
Evelyn Wood, Esq.

MR. A. M. KEITH served on the Labour Sub-Committee during the absence on leave of MR. H. G. PIRRIE.

LT.-COL. W. B. ROBERTS resigned his seat on the Sub-Committee in November 1935 on leaving India and CAPTAIN W. D. BACON was nominated to serve in his stead.

MR. C. N. MOBERLY resigned his seat on the Industries Sub-Committee in September 1935 on leaving India; MR. A. S. TROLLIP was nominated to serve in his stead, and MR. STONES became Chairman of the Sub-Committee. MR. A. W. PERCY resigned his seat in December 1935 on transfer from Bombay and MR. D. F. FYFE was nominated to serve in his stead. MR. B. A. THORSTENSON served during the absence on leave of MR. S. O. SUNDGREN.

MR. M. S. DURUTTI resigned his seat on the Cotton Sub-Committee in August 1935 on transfer from Bombay and MR. A. A. SARANTIDES was nominated to serve in his stead.

MR. J. G. RIDLAND resigned his seat on the Finance Sub-Committee in October 1935 on leaving India and MR. A. McCULLOCH was nominated to serve in his stead.

MR. F. A. COLE served on the Income-tax Sub-Committee during the absence on leave of MR. B. J. WHITBY.

MEMBERSHIP OF THE CHAMBER.

The total membership of the Chamber on the 1st January 1936 was 191 against 185 at the beginning of 1935. The following are the names of members elected during the year under report:—

Messrs. Jamnadas Meghji & Co. Proposed by the National City Bank of New York and seconded by the South British Insurance Company, Ltd.

Messrs. Ardeshir B. Cursetjee & Sons. Proposed by Messrs. Mackinnon Mackenzie & Co., and seconded by Messrs. Lionel Edwards, Ltd.

Messrs. Suren Piras & Co. Proposed by Messrs. Wilson Latham & Co. Ltd., and seconded by Lloyds Bank Limited.

Messrs. Lewis and Jones. Proposed by Messrs. Wallace & Co., and seconded by Messrs. Killick Nixon & Co.

Messrs. Lever Brothers (India) Ltd. Proposed by the National Bank of India, Ltd., and seconded by Messrs. Crawford Bayley & Co.

Messrs. Goodlass Wall (India) Ltd. Proposed by Messrs. Forbes, Forbes, Campbell & Co. Ltd., and seconded by Messrs. Richardson and Cruddas.

The Ford Motor Company of India Ltd. Proposed by Messrs. Crawford Bayley & Co., and seconded by the National Bank of India, Ltd.

Messrs. W. H. Deeth & Co. Proposed by Messrs. Heatly & Gresham, Ltd., and seconded by the Chartered Bank of India, Australia & China.

The Society of Motor Manufacturers and Traders, Ltd. Proposed by Messrs. Grindlay & Co. Ltd., and seconded by Messrs. Glenfield and Kennedy, Ltd.

The Indian Oxygen and Acetylene Company Ltd. Proposed by Messrs. Turner Morrison & Co. Ltd., and seconded by the Chartered Bank of India, Australia & China.

Messrs. Guest, Keen, Williams, Ltd. Proposed by the National Bank of India, Ltd., and seconded by Messrs. A. F. Ferguson & Co.

Messrs. Martin & Harris, Ltd., Proposed by the Mercantile Bank of India, Ltd., and seconded by the National City Bank of New York.

The Anglo-Iranian Oil Company Ltd. Proposed by Burmah-Shell Oil Storage and Distributing Company of India, Limited, and seconded by Messrs. A. F. Ferguson & Co.

The Kinematograph Renters' Society of India, Burma & Ceylon, Ltd. Proposed by the National City Bank of New York, and seconded by Messrs. Crawford Bayley & Co.

The following resigned their membership of the Chamber :—

The Lightfoot Refrigeration Company, Ltd.
The Royal Exchange Assurance Corporation.
Messrs. Gilbert Lodge & Co.
Messrs. B. D. Patel & Co.
Messrs. Macbeth Brothers & Co., Ltd.
The Anglo-Persian Oil Company Ltd.
Universal Pictures Corporation of India.

In accordance with the provisions of Article 16 of the Chamber's Articles of Association the name of Messrs. Strauss & Co., Ltd., was removed from the list of members in April 1935.

THE CENTENARY OF THE CHAMBER.

In order to commemorate the centenary of the Chamber's existence it was decided to place on permanent record the achievements of the Chamber during the past 100 years and Mr. R. J. F. Sulivan was put on special duty for the purpose of compiling a history of the Chamber and is at present engaged on the task.

SIR ERNEST MILLER.

At a meeting held on the 2nd April 1935 the European Group in the Indian Central Legislature passed the following resolution unanimously :—

"Resolved to place on record the Group's appreciation of Mr. Miller's sterling work in and for the Group and also in the Council of State where his sound common sense and straightforward dealing have upheld for the past five years the dignity and prestige of British Commerce. His constant advocacy in the matter of Roads has been of the utmost value in the development of communications in this country, whilst his lovable character has endeared him to all those who have worked with him."

In informing Mr. Miller that they had been furnished with a copy of the above resolution the Committee stated that they had noted its terms with pleasure and that they fully endorsed the views of the European Group as expressed in it.

Members of the present and past Committees of the Chamber entertained Mr. Miller at a farewell dinner at the Byculla Club on the 26th April 1935.

On the 5th June 1935 the Committee cabled to Sir Ernest Miller offering their warm congratulations on the well deserved honour of knighthood which had been conferred on him.

PRESENTATION TO SIR HUBERT CARR.

It was decided during the year to mark the passing of the Government of India Bill by some signal manifestation of gratitude to Sir Hubert Carr for his devoted service to the interests of Europeans in India. Sir Hubert Carr first undertook the representation of British non-official opinion in connection with the Indian Constitutional Reforms in 1930,

and what appeared then to be only a temporary undertaking subsequently developed into one which had fully occupied Sir Hubert's time for a period of almost five years. The presentation, which took the form of an address, was made at an "At Home" at Claridge Hotel, London, on the 9th December 1935. The address was engrossed in vellum and signed by all the Presidents of the Chambers of Commerce in the membership of the Associated Chambers of Commerce of India and the Chairmen of the branches of the European Association. Lady Carr was presented with a diamond brooch and earrings.

OBITUARY.

At their meeting held on the 27th November 1935 the Committee passed a resolution conveying to the Madras Chamber of Commerce the condolences of this Chamber on the death of Mr. K. Kay, late Chairman of the Madras Chamber.

PORTRAIT OF MR. JOHN SKINNER.

As the portrait in oils of the late Mr. John Skinner, the founder and first Chairman of the Chamber, needed cleaning and restoring, the Committee entrusted the work to Mr. W. E. Gladstone Solomon, Director, Sir J. J. School of Art, Bombay.

"BOMBAY".

At the request of the Rotary Club of Bombay a brief sketch of the activities of the Chamber was compiled for publication in an illustrated brochure on Bombay describing amongst other things the advantages of the city as a manufacturing and distributing centre. For purposes of record the article is re-printed in the Appendices to this Report.

VISIT TO BOMBAY OF THE MEMBER FOR COMMERCE AND RAILWAYS AND THE CHIEF COMMISSIONER OF RAILWAYS.

The Hon'ble Sir Muhammad Zafrulla Khan, Kt. (Member of His Excellency the Viceroy's Executive Council for Commerce and Railways), the Hon'ble Sir Guthrie Russell, Kt. (Chief Commissioner of Railways) and Mr. P. R. Rau (Financial Commissioner of Railways) visited the Chamber on the 24th July 1935 and informally discussed the following subjects with the Committee: Sir Maurice Brayshay, Kt., the Agent of the B. B. & C. I. Railway and Mr. L. Wilson, the Agent of the G. I. P. Railway, were also present by invitation:

(1) Railway Risk Notes.

(2) Classification of films under Railway Risk Note "Y".

(3) Diversion of trades from their natural channels by manipulation of freights.

(4) Surcharge on coal freights.

(5) Tenders for the supply of coal to Railways.

(6) Mileage Coupon System.

(7) Bombay-Sind Connection Railway.

VISIT TO THE CHAMBER OF THE HON'BLE MR. T. A. STEWART.

The Hon'ble Mr. T. A. Stewart, C.S.I., I.C.S., Secretary to the Government of India, Department of Commerce, accompanied by Mr. M. Slade, I.C.S., Collector of Customs, Bombay, visited the Chamber on the 3rd July 1935 and informally discussed the following subjects with the Committee:—

1. Section 30 of the Sea Customs Act;

2. Working of the Indo-Japanese Trade Agreement;

3. Discrepancies in published figures of imports of Japanese piecegoods and exports of Indian cotton to Japan.

4. Increased imports of Japanese fents;

5. Imports into Cutch, particularly of piecegoods and inability to obtain official statistics;

6. Japanese competition with the Indian paint industry.

7. Indirect shipment of goods from British Colonies *via* the United Kingdom under the Ottawa Trade Agreement;

8. Trade restrictions in Persia;

9. Import duty on asbestos fibre;

10. Registration of Trade Marks;

11. Adulteration of drugs;

12. Kathiawar Ports—Agreement between the Government of India and the States;

13. Duty on iron and steel bolts and nuts.

VISIT TO INDIA OF THE COMMISSIONER FOR DEVELOPMENT OF AGRICULTURAL MARKETING, COLOMBO.

The Commissioner for Development of Agricultural Marketing, Colombo, visited India as Ceylon Trade Representative in May 1935,

(1) To ascertain the agencies through which copra and cocoanut oil were marketed in India, and to open additional channels of distribution if possible.

(2) To examine prices and investigate the causes governing the recent increase, (and fall in prices) and to discover what prospects of improvement, if any, existed.

(3) To ascertain whether a permanent Ceylon Trade Representative should be appointed to India, and if so, what centre should be chosen as his base of operations.

(4) To enquire the methods followed in recent Indian economic and market surveys.

(5) To study Indian plans for, and organisation of, internal marketing, particularly that of peasant's produce.

(6) To examine the present Indian market for cardamoms, cinnamon, citronella oil.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA.

ANNUAL GENERAL MEETING, 1935.

The annual general meeting of the Associated Chambers of Commerce of India was held at Calcutta on the 16th and 17th December 1935. The proceedings were opened by His Excellency the Earl of Willingdon, P.C., G.M.S.I., G.M.I.E., G.C.M.G., G.B.E., Viceroy and Governor-General of India. This Chamber was represented by Sir John Abercrombie, M.C., M.L.C., President of the Chamber and Deputy President of the Association, and Mr. G. H. Cooke.

The following is a list of subjects in connection with which resolutions were adopted unanimously by the meeting :—

1. The Customs Tariff.
2. Inadequate Customs duty on sports shirts and other knitted cotton apparel from Japan.
3. Co-operation between the Railway Board and Provincial Governments in securing powers to construct and maintain feeder roads.
4. Proposed special rebate on coal for export out of India.
5. Co-ordination of railway freight rates.
6. Emergency Surcharges.
7. Road-Rail Conference resolution regarding the co-ordination of motor taxation and the unification of the motoring laws of British India.
8. Strengthening of the Commerce Department of the Government of India to deal with commercial matters.

The following resolution was carried *nem. con* :—

9. Proposed countervailing duty on imports of South African coal into India.

The following resolution was withdrawn after discussion :—

10. Surcharge on coal freights.

The following resolution was rejected by a majority :—

11. Standardization of weights and measures throughout India.

Of the above resolutions Nos. 1 and 6 were moved by the Bombay Chamber.

LEGISLATIVE ASSEMBLY.

Representative of the Associated Chambers.

In April 1935 Mr. L. C. Buss, the representative of the Associated Chambers of Commerce of India in the Legislative Assembly resigned his seat on proceeding on leave. The Committee put forward the name of Mr. J. H. Blackwell for nomination in his stead and were informed later that Mr. Blackwell had been nominated by the Governor-General to the vacant seat.

CHAMBER'S STATISTICAL RETURNS.

As from 1st January 1935 the rates of subscription charged to non-members for copies of the Chamber's statistical returns have been reduced and are now fixed, in the case of each return, at 25 per cent. above the rate charged to members.

INTRA-PROVINCIAL TRADE STATISTICS.

In August 1935 the Collector of Customs, Bombay, enquired whether this Chamber had any objection to urge against the proposal to discontinue the publication of statistics showing the inter-seaborne import and export trade between subordinate ports in the Presidency, as distinct from those showing the trade between subordinate ports of the Presidency and ports in other Provinces.

The Committee of the Chamber carefully considered the question in consultation with the Import and Shipping

and Export Sub-Committees of the Chamber, and in replying to the Collector of Customs stated that they understood that the trend of modern statistics was to devote more attention to internal traffic and it had been pointed out that whilst international trade was shrinking, the internal trade of all countries was on the increase. It was felt that once the collection of those internal trade statistics was discontinued it would be very difficult to recommence the service should it be necessary to do so later. The Committee considered, therefore, that although there might be no necesssity at the moment to publish the figures of "Internal Trade" in the Coastal Trade Returns, these figures should be collected and kept at any rate, in manuscript, for future reference.

INDIAN OFFICIAL STATISTICS.

The question of improving the standard of Indian official statistical publications was considered at a meeting of the Council of the Indian Statistical Institute on the 26th April 1935, and a Committee, with power to co-opt, was appointed to scrutinise the form and content of official statistical publications and make suitable recommendations for improving them. This resolution was subsequently confirmed at the annual meeting of the Institute held on the same date.

The procedure followed was to circulate notes on different statistical publications drawn up by the different members of the Committee and to invite suggestions. When these were received, detailed notes were prepared by the Secretary to provide a basis of discussion.

Two preliminary notes one on the Statistical Abstract of British India and the other on the Monthly Survey of

Business Conditions in India were prepared and copies were forwarded to this Chamber.

The Committee of the Chamber appointed a Standing Statistical Sub-Committee, consisting of Messrs. S. Fuchsman, Evelyn Wood, R. P. Smith and J. E. Tew, for the purpose of considering and reporting on these and any other references that might be received from the Calcutta Committee. The Sub-Committee subsequently submitted a memorandum on the two publications in question and embodied in the memorandum criticisms and suggestions in regard to the Government of India statistics generally. The memorandum was adopted by the General Committee who forwarded it to the Calcutta Committee for information. The memorandum was placed at the disposal of Members in the rooms of the Chamber.

DELIMITATION OF CONSTITUENCIES UNDER THE REFORMED GOVERNMENT.

With a view to investigate the preliminary action which was necessary to provide for the constitution of the Bombay Legislative Assembly and the Bombay Legislative Council under the provisions of the new Government of India Bill, the Government of Bombay in June 1935 appointed a Provincial Committee to consider the delimitation of constituencies for the two Chambers of the Provincial Legislature and to make a report embodying their recommendations. The investigations made by the Committee were purely for the purpose of clearing the ground and were based on the Table of Seats appended to the Government of India Bill.

The members of the Committee were—

The Hon'ble Mr. Justice N. J. Wadia, I.C.S. (*Chairman*).
Rao Bahadur R. R. Kale, M.L.C.

Sardar Rao Bahadur B. R. Naik, M.L.C.
Mr. H. M. Rahimtoola, M.L.C.
Khan Bahadur Abdul Latif Haji Hajrat Khan, M.L.C.
Rao Bahadur N. E. Navle, M.L.C.
Rao Bahadur S. N. Angadi, M.L.C.
Mr. J. H. Garrett, C.S.I., I.C.S.
Dr. B. R. Ambedkar, M.L.C. (resigned).
Dr. P. G. Solanki, M.L.C.

with Mr. H. T. Lambrick, I.C.S. as Secretary.

On the suggestion of the Chamber Sir John Abercrombie was co-opted on the Committee to represent European commercial interests. He also represented the Bombay Presidency Trades Association, Ltd., and the European Association, (Bombay Branch).

In the present Council of 114 members, 7 elected seats are assigned to Commerce and Industry constituencies and are distributed as follows :—

Bombay Chamber of Commerce	2 seats.
Karachi Chamber of Commerce	1 seat.
The Bombay Presidency Trades Association .	1 seat
The Bombay Millowners' Association ..	1 seat
The Ahmedabad Millowners' Association ..	1 seat
The Indian Merchants' Chamber	1 seat.

On behalf of European commerce, Sir John Abercrombie contended that Europeans should have the same number of representatives in the future Assembly as they have in the present Council and that, considering the substantial increase in seats given to other communities, this claim could not be considered as excessive. In the existing Council he claimed that the Europeans had seven representatives, *viz.*, two for the Bombay City and Presidency European constituencies,

two for the Bombay Chamber of Commerce, one for the Karachi Chamber of Commerce, one for the Bombay Presidency Trades Association, and one member nominated to represent the cotton trade who for the last five years had been a European. He therefore claimed that four commerce seats should be allotted to European commerce, three being allotted to the Bombay Chamber of Commerce and one to the Presidency Trades Association, so that with the three European communal seats the Europeans would have seven representatives in the Legislative Assembly. He stated that, if three seats were allotted to the Bombay Chamber of Commerce, the Chamber would be prepared to earmark one of these seats for the representation of the cotton trade.

The Provincial Delimitation Committee realised the anxiety of European commercial interests that Europeans in the future provincial legislature should have at least as many seats as they enjoyed at present, and also the justice of their contention that, while Indian commercial interests would be able to secure representation to a considerable extent through the territorial seats also, the Europeans would not be able to increase their representation in any manner. The Committee felt, however, that, in view of the importance of the cotton trade, an importance which had been already recognised by the provision for a nominated representative of that trade in the existing legislature, and in view of the opinion expressed by the Indian Franchise Committee that an elective seat should be provided for representation of the cotton trade, it was necessary that a separate constituency should be formed to represent the trade. The Provincial Delimitation Committee considered that if an extra seat were allotted to the Bombay Chamber of Commerce, to be earmarked for the cotton trade, the representative of the cotton trade

so elected would represent only a small section of those concerned in that trade, whereas the East India Cotton Association which was statutorily entrusted with the duty of controlling the cotton trade would represent the interests of all concerned in the trade, both growers and dealers, Europeans as well as Indians. For these reasons the Provincial Delimitation Committee came to the conclusion that the East India Cotton Association had the best claim to represent the cotton trade.

They therefore agreed that the seven seats allotted to Commerce and Industry in the new Legislative Assembly should be distributed as follows :—

Bombay Chamber of Commerce	2 seats
Bombay Trades Association	1 seat
Bombay Millowners' Association	1 seat
The Ahmedabad Millowners' Association ..	1 seat
The Indian Merchants' Chamber and Bureau	1 seat
The East India Cotton Association	1 seat.

The Provincial Delimitation Committee in their report mentioned the difficulty in connection with the electoral rules dealing with the Commerce and Industry constituencies to which attention was drawn by the Bombay Chamber of Commerce and the Bombay Millowners' Association. Rule 7 of Schedule II of the present Electoral Rules provides that a person shall be qualified as an elector for a Commerce and Industry constituency whose name is entered in the list of members for the time being in force of the association forming such constituency, or who is entitled to exercise the rights and privileges of membership on behalf of and in the name of any firm or company or corporation entered in such list of members. The result of the rule is that when the senior partner of a firm is unable, owing to absence or other cause to vote or stand for election, the firm loses its vote or right to

put up a candidate as another partner cannot be brought on the roll unless the elaborate procedure prescribed in the electoral rules for amendment of the electoral roll is resorted to, and such procedure invariably means delay. The result frequently is that, when an election takes place suddenly, many firms are unable to exercise their rights, owing to the absence of the member whose name is entered as entitled to exercise the rights and privileges on behalf of the firm. The Indian Franchise Committee drew attention to this grievance in paragraph 325 of their Report (Volume I, page 129), and expressed the opinion that the point was one which merited consideration. The Provincial Delimitation Committee suggested that the new electoral rules should remove this difficulty by providing that, in the case of a Commerce and Industry constituency, if the person registered on the electoral roll for the time being in force of the constituency was a firm, company or corporation, any person who, on the date on which the poll was taken, was entitled to exercise the rights and privileges of membership on behalf of and in the name of such firm, company or corporation, should be entitled to vote at an election of a member or members for the constituency.

In August 1935 the Government of Bombay enquired whether the Chamber desired to submit any representation to the Indian Delimitation Committee with reference to the recommendations of the Bombay Provincial Delimitation Committee or otherwise.

The Committee in reply expressed their disappointment that the report of the Bombay Provincial Delimitation Committee did not fulfil the justifiable hope of this Chamber that, in accordance with the expectations expressed in the footnote to the Communal Award, four of the seven seats

allotted to Commerce and Industry for Bombay (excluding Sind) would be reserved for predominantly European commercial associations. This was also the proposal of the Reforms Office in its review on the recommendations of the Divisional Commissioners, (page 125 of the blue book on "Material for the Bombay Provincial Delimitation Committee"). The Committee added, however, that if this allocation was not acceptable to the Indian Delimitation Committee, they agreed that the best solution would be the allocation of the commercial seats on the lines recommended by the Bombay Provincial Delimitation Committee including a seat for the East India Cotton Association, Ltd.

In September 1935 the Government of Bombay asked the Bombay Provincial Delimitation Committee to meet again to consider—

(*i*) the public criticisms and written statements received on the report of the Committee and the provisional views of Government thereon on the scheme of constituencies for the Bombay Legislative Assembly;

(*ii*) the constituencies of the Bombay Legislative Council in the light of the revised franchise qualification for the Council;

(*iii*) the provisional views of Government on the delimitation of the Commerce and Industry, Landholders and Labour constituencies of the Federal Assembly in the Presidency proper;

(*iv*) the delimitation of constituencies for the Federal Council of State in the Presidency proper for filling the General and Muhammadan seats;

(*v*) to consider and report in what manner the term of office of certain of the elected members of the Federal Council of State and of the Bombay Legislative Council should, upon the first constitution of the Council of State and the Council, be curtailed so as to secure that, as nearly as may be, one-third of the members holding seats of each class should retire every third year thereafter, as laid down in paragraph 14 of Part I of the First Schedule and paragraph 18 of the Fifth Schedule to the Government of India Act, 1935.

The Supplementary Report of the Bombay Provincial Delimitation Committee dealing with the above questions was published on the 5th October. The Committee of the Chamber subsequently addressed the Government of Bombay on two points which they desired to see taken into further consideration by the India Delimitation Committee which had been appointed under the Chairmanship of Sir Laurie Hammond. The first was in connection with the provision for seven European seats in the Council of State (table attached to the 1st Schedule, Government of India Act 1935, page 309). It appeared that these seven seats were not to be allotted to particular Provinces, the method by which they were to be filled being prescribed in paragraph 10 of this Schedule.

The second part of paragraph 10 would seem to be designed to ensure reasonable distribution among the Provinces of these seven seats, but it appeared to the Committee that this purpose might be liable to be defeated. It seemed that, at the original election for these seats, no Province could secure more than one. But at any subsequent by-election, the restriction imposed was to be applied in relation only to the seats (if more than one) which were " to be then filled", and without regard to any seat that a Province might already hold. When there was a by-election for one seat only, no restriction at all was laid down.

The Committee were apprehensive that, as the second part of paragraph 10 stood there was nothing to prevent a Province, with a preponderance of voting power in the electoral college to be established under the first part of that paragraph, from ultimately acquiring a majority, or even the whole, of the seven seats in question.

It was assumed, incidentally, though it did not appear to be specifically laid down that the European electoral

colleges mentioned in paragraph 10 would include *all* European members of the Provincial Legislatures, (including *e.g.*, those holding Commerce or Industry seats), and not only those representing European constituencies proper.

The second point which the Committee raised was in connection with the qualification for candidates for the European seats on the Federal Legislature. These appeared still to await prescription, beyond those already prescribed in paragraph 1 of the First Schedule to the Government of India Act (page 301). The Committee urged that consideration be given to the proposal that any European, having the requisite qualifications and whose name was entered in the roll of any Province, should be qualified to stand for any vacant European seat in the Federal Legislatures.

The Committee stated that it might be argued that where seats were allocated to particular Provinces, the intention was that such seats should be filled only by persons with a knowledge of the local conditions of those Provinces, and that the proposal outlined above would defeat this object. In practice, however, this was not the case since Europeans often served for several years in one Province, were transferred to another and ultimately returned to their original Province. Many of the large firms on whom the European community must perforce rely for candidates to fill their seats, had branches in all the major ports and their staff was liable to be transferred from one port to another in the ordinary course of business.

It appeared to the Committee to be a serious hardship on the community if a man who had served in Bombay for ten years and was afterwards transferred to Calcutta for two or three years, was not eligible on his return to Bombay to fill a seat reserved for this Presidency until he had fulfilled

the necessary residential qualifications prescribed in the 6th Schedule, Part III of the Government of India Act, which it was assumed would apply equally to all candidates for Bombay seats in all Legislatures. Depending upon the date of his return to Bombay, it was possible for such a person to be ineligible for inclusion in the electoral roll until he had resided about 18 months in the Presidency; (*e.g.* date of arrival in Bombay November 1936; eligible for entry in the Roll 1st April 1938).

The Committee understood that in the case of the three European seats in the Bombay Legislative Assembly, the Provincial Delimitation Committee had recommended that a person whose name was on any European territorial roll in the Presidency was entitled to stand for any vacancy. The Committee expressed a hope that a somewhat similar arrangement would be made to cover all the European territorial constituencies in India for purposes of election to the Federal legislatures.

In November 1935 after the publication of the Report of the Government of Bombay on the Delimitation of Constituencies was issued the Committee addressed the Government of Bombay with particular reference to the proposed rules defining the qualifications of electors and candidates for the seats which would be reserved in the Bombay Legislative Assembly for commercial bodies such as this Chamber. While thanking Government for their willingness to draft rules which would remove the disabilities and difficulties that had arisen under the existing rules the Committee expressed their doubt as to whether the rules as drafted did in fact achieve beyond possibility of question what was believed to be one of their purposes, namely the elimination of the difficulty described in paragraph 38 of the main report of the

Bombay Provincial Delimitation Committee, dated the 11th July 1935.

It occurred to the Committtee that such doubt, in regard at any rate to the qualifications of the candidates, which was the really important point, would be dissolved by the affirmative answer to the following question, improbable as the circumstances suggested might be :—

"Would the rules, as drafted enable the Chamber's Returning Officer to accept the nominations of *two* candidates from the same firm or company, both of them entitled to exercise the rights and privileges of membership on behalf of that firm or company ?" If the answer to this question was in the affirmative, then the Committee expressed their complete accord with the procedure to be adopted for filling the seats allotted to Commerce.

The same query arose in regard to the qualifications prescribed in respect of the constituencies for the Federal Assembly, though the fact that only one seat was available to the Chamber of Commerce and the Trades Association combined made the hypothetical conditions suggested above still less likely to occur.

If, however, the answer to this question was in the negative, the Committee expressed the hope that the Chamber's representatives might be given an opportunity of enlarging upon this point in their oral evidence before the Hammond Committee.

The Government of Bombay in reply stated that the intention was that under the proviso to the draft rules relating to the qualifications of candidates for a seat in a Commerce and Industry constituency of the Bombay Legislative Assembly and of the Federal Assembly suggested in the Report

of the Government of Bombay to the Indian Delimitation Committee it should be open to two or more persons entitled to exercise the rights and privileges of membership on behalf of the same firm or company on the date of the nomination to stand as candidates.

Sir John Abercrombie and Mr. W. G. Lely gave oral evidence on behalf of the Chamber before the Indian Delimitation Committee on the 9th December 1935.

DEFINITION OF "EUROPEAN" AND "ANGLO INDIAN" FOR ELECTORAL PURPOSES.

In January 1935 the Government of Bombay informed the European Association (Bombay Branch) that they had under consideration the question of the revision of the existing definitions of the terms "European" and "Anglo-Indian" for electoral purposes. Government stated that it had been suggested that the justification for representation for Europeans and Anglo-Indians in special constituencies was European blood or an admixture of it, and that within this group the true basis of division seemed not to be race but interests dependent on domicile. Government added that since the interests of the domiciled European and the Anglo-Indian were very similar and would tend to coincide more and more as time went on, the change of definition should be made, and domicile and not race should become the deciding factor. Government submitted the following draft of the proposed definitions and asked for the views of the European Association on them:—

"A European" means a British subject resident in India but not domiciled in India, whose father was wholly or partly of European blood.

"An Anglo-Indian" means a British subject resident in India and domiciled in India, whose father was wholly or partly of European blood.

In asking for the views of the Chamber on the question the European Association, Bombay Branch, forwarded a copy of a letter that had been addressed to the Central Association in which the following definitions were suggested :—

European.—"A 'European' means a British subject whose parents and grandparents on both sides were of European blood."

Anglo-Indian.—"An 'Anglo-Indian' means a British subject of mixed European and Asiatic blood whose father was wholly or partly of European blood."

In this connection it might be noted that the following definitions were given in the new Government of India Bill :—

"A European" means a British subject of European descent in the male line who is resident in British India and—

(*a*) who was born, or has a domicile, in the United Kingdom, a British possession or an Indian State ; or

(*b*) whose father was so born, or has, or had up to the date of the birth of the person in question, such a domicile ;

"an Anglo-Indian" does not include a European but, subject as aforesaid, means a British subject who is resident in British India and—

(*a*) who is of European descent in the male line ; or

(*b*) who is of mixed Asiatic and non-Asiatic descent, and whose father, grandfather or more remote ancestor in the male line was born in the continent of Europe, Canada, Newfoundland, New Zealand, Australia, the Union of South Africa or the United States of America.

In replying to the European Association the Committee stated that they agreed with the Association in preferring "race" to "domicile" as the deciding factor. They considered, however, that the definition suggested by the Association of "European" should contain the words

"resident in India", and they did not appreciate the reason for the inclusion of the words "and grandparents" as this seemed to be an unnecessary complication.

The Committee were of opinion that it was necessary to secure two things :—

(1) That the European Electoral Registers did not get flooded with people who were not pure Europeans ; and

(2) That "pure" Europeans who were domiciled in India were not compelled, against their wish, to go to the Anglo-Indian roll.

The Committee considered it important that in replying to the letter from the Government of Bombay the Association should, if possible in agreement with the Anglo-Indian community, define the position which the "definitions" were required to secure.

At a later date in replying to a reference from the Associated Chambers of Commerce of India on the above question the Committee confirmed the opinion expressed to the European Association, namely that they preferred a definition based on race rather than on domicile.

FEDERAL AND PROVINCIAL FINANCE UNDER THE NEW CONSTITUTION.

In a Press Communiqué dated the 16th October 1935, the Government of Bombay announced that on the invitation of the Secretary of State for India, Sir Otto Niemeyer, G.B.E., K.C.B., would undertake a financial enquiry with the following terms of reference :—

"To make recommendations to His Majesty's Government, after reviewing the present and prospective budgetary positions of the Government of India and of the Governments of the Provinces, on matters which under Sections 138 (1) and (2), 140 (2) and 142 of the Government of India Act, 1935, have to be prescribed or determined

by His Majesty in Council (subject to the approval of both Houses of Parliament) and on any ancillary matters arising out of the financial adjustments regarding which His Majesty's Government may desire to report."

The Government of Bombay invited persons or bodies desiring to submit representations to Sir Otto Niemeyer regarding matters which were within the scope of his terms of reference, particularly matters which would affect the interests of the Bombay Presidency or of the new province of Sind after their separation, to forward written representations to Government.

In response to this invitation the Committee addressed the Government of Bombay on the 25th November 1935 and stated that the first question on which expression of opinion was invited was the prescription, under Clause 138(1) of the Government of India Act, 1935 of (*a*) the percentage of the net proceeds of Income Tax which was not to form part of the revenues of the Federation, but was to be assigned to the Provinces; and (*b*) the manner in which the proceeds so assigned should be distributed to the Provinces.

In regard to (*a*), the Committee stated that it was not easy for a body like the Chamber of Commerce, without close acquaintance with the prospective financial needs of either the future Federal Government or of the autonomous Provinces, to offer an authoritive and responsible view as to the proper share of income-tax collections to be assigned to the latter. The Percy Committee, which was working on a basis, since abandoned, of allocating to the Provinces the whole of the net income-tax yield (with certain minor exceptions), and of leaving them to make contributions to the Federal Government, came to the conclusion that, out of Rs. 13½ crores available from this source, some Rs. 6½ crores would, at the outset, have to revert to the Federal

Government. The White Paper proposals of His Majesty's Government, working on the alternative basis, since adopted in the Government of India Act, of division of the tax between the Federation and the Provinces, proposed that the allocation to the former should be not less than 25 per cent. and not more than 50 per cent. The Joint Parliamentary Committee, accepting this basis, saw little or no prospect of a larger share being assigned to the Provinces than 50 per cent. The Committee stated that this Chamber would content itself with an expression of hope that, as the result of the financial enquiry now being held, assignation to the Provinces of not less than 50 per cent. might be found feasible.

As for (*b*), it was to be assumed that the wording employed in Section 138 (1) of the Government of India Act was deliberately chosen, and should be literally interpreted. The section provided that—

"Taxes on income.....shall be levied and collected by the Federation, but a prescribed percentage of the net proceeds in any financial year of any such tax.....shall not form part of the revenue of the Federation but shall be assigned to the Provinces .....within which that tax is leviable in that year, and shall be distributed among the Provinces.....in such manner as may be prescribed."

It seemed clear, therefore, that there was no intention of making a grant from Federal revenues to Provincial revenues. The percentage to be assigned to the Provinces would be a part of their own revenues and would therefore presumably be calculated as the prescribed percentage of their own income-tax collections. This view of the meaning of the paragraph would appear to be borne out also by the wording of Sub-section (2) of the same Section, which provided for a limited retention by the Federation out of the monies assigned to the Provinces by Sub-section (1).

On this interpretation, what was required to be prescribed in this respect was not any ratio of distribution to the Provinces, which would be governed automatically by the percentage to be fixed under (*a*) above, but merely the "manner" in which the distribution was to be made. It then remained only to decide what part of the income-tax was properly attributable to any particular Province. On this point, this Chamber strongly supported the conclusion arrived at in paragraphs 66-69 of the Percy Committee's Report. That Committee rejected allocation on the alternative basis of (*a*) collections, (*b*) population, (*c*) origin, and accepted that of (*d*) residence, with the further recommendation that this should be applied on the basis of the tax actually paid by the residents of the Province. Adherence to this view had already been expressed by this Chamber in submitting to the Finance Department of the Government of India, on 7th July 1932, its views on the recommendations of the Federal Finance Committee. A copy of that letter had been sent to the Government of Bombay.

The next question on which opinion was invited was the apportionment of export duty on Jute between the Federation and the Provinces concerned, which was required to be determined under Section 140 (2) of the Act. The Act in this sub-section already laid down that the share of the Provinces should be not less than one-half of the tax.

This was a matter in which the Bombay Presidency was not directly concerned, and the Committee of the Chamber confined themselves to the opinion that the Provinces in question were fortunate in producing a monopoly commodity, which was capable of bearing an export duty, and that it would appear to them to be reasonable that the proceeds

of the tax should be shared equally between the jute growing Provinces and the Federation.

The last question on which opinion was invited was the prescription of the grants-in-aid, of which mention was made in the preceding paragraph, from Federal revenues to the revenues of deficit Provinces. The Presidency of Bombay, thanks to its own efforts, under the guidance of the Government of Bombay Finance Department, in economy and self-denial, was happily not to be ranked among the recipients of such subventions. Bombay was therefore not directly concerned in this matter, and was concerned indirectly only to the extent to which the necessity for financing these grants-in-aid would presumably influence His Majesty's Government in their prescription of the percentage of income-tax to be assigned to the Federation.

The Committee accordingly did not feel that they were in a position to advise in this matter. The sums to be prescribed could in their opinion only be fixed as the result of an up-to-date enquiry into the needs of the different Provinces, as was done four years ago by the Federal Finance Committee, and as had now been undertaken by Sir Otto Niemeyer.

There was, however, one point on which the Committee made a suggestion. The proviso to Section 142 of the Act laid down that, unless in certain specified circumstances, no grant to be fixed under Section 142 should be subsequently increased. This the Committee considered to be salutary, but it appeared to them to be reasonable that provision should also be made for the possibility at some future time of reduction of these subventions, if the finances of any Provinces in receipt of them should improve.

SPECIAL REPRESENTATION OF SHIPPING INTERESTS WITH THE GOVERNMENT OF INDIA.

In February 1935 the Shipping Companies who are members of the Chamber submitted a representation to the Committee urging that if a permanent staff of experts be attached to the Government of India, shipping interests as distinct from ordinary European or Indian commercial interests, should be represented thereon. As a similar representation had also been made to the Bengal Chamber the Committee enquired of that Chamber as to what action it proposed to take in the matter. The Committee stated that it was clear from their letter that the Shipping Companies considered that the Government of India were inadequately advised on shipping matters both as regards legislation and in the framing of technical rules. As the Committee understood the position the feeling was that Government had no expert commercial advice at their disposal inasmuch as their existing technical advice in shipping matters did not extend to practical experience of the commercial factors in shipping. To remedy the existing deficiencies it was suggested that shipping interests should be represented on the staff of economic experts which a resolution adopted at the December 1934 annual meeting of the Associated Chambers of Commerce of India recommended should be attached to the Government of India. This suggestion appeared to be based on a misconception of the underlying idea of the resolution which envisaged a staff of officials having expert economic and statistical knowledge whose duty it would be to advise on commercial problems of the day. The inclusion of a shipping expert among such a staff would, in the opinion of the Committee, be out of place.

The other suggestion made by the Shipping Companies was that a Technical Advisory Committee composed of shipping interests on the lines of the Advisory Committee to the Board of Trade should be set up. The Committee considered that the appointment of an Advisory Shipping Committee to assist the Commerce Department might provide a solution of the difficulty, and they asked for the views of the Bengal Chamber of Commerce on the suggestion. But before pressing for special representation with the Government of India on behalf of one important industry it seemed to the Committee that the Chambers should consider whether they would be prepared to take similar action on behalf of other industries who might have similar difficulties and claims. It might be argued that the Chambers should confine themselves to pressing for better representation of commercial interests in general.

In conclusion the Committee stated that they were in no way unsympathetic to the point of view of the shipping industry but they believed that other industries might well have encountered the same difficulties as were put forward by the shipping industry, and they were of opinion that the case required careful consideration before being represented to the Government of India.

The European Group in the Central Legislature submitted a note on the subject in which they approved generally the proposal to form a Shipping Advisory Committee to the Government of India, but laid the greatest emphasis upon the necessity for shipping interests themselves to ensure the continuance in the future of a representative in the Group possessing expert knowledge on shipping matters.

In the meantime the Bengal Chamber wrote to the Associated Chambers supporting the shipping companies'

representation and suggesting that the Associated Chambers should address the Government of India.

The whole of the correspondence was at the request of the Bombay Chamber placed by the Associated Chambers before the constituent Chambers for their views, but up to the time of writing this report no information was received by the Chamber in regard to the result of the reference.

GOVERNOR-GENERAL'S EXECUTIVE COUNCIL.

MEMBER FOR COMMUNICATIONS.

At the annual general meeting of the Associated Chamber of Commerce of India held at Calcutta in December 1934 a resolution was adopted unanimously in the following terms :—

"That in the opinion of this Association it is essential in the interests of the co-ordination of transport throughout India that early steps be taken to redistribute the portfolios of the Governor-General's Executive Council in order to provide for a Member for Communications whose portfolio should include Railways, Roads, Civil Aviation and Posts and Telegraphs but should exclude Inland Water Transport and Coastal Shipping which should be included in the portfolio of the Member for Commerce."

The terms of the resolution were duly submitted to the Government of India, Department of Industries and Labour and to the Commerce Department, for consideration.

The Government of India in reply stated that the matter was already under their consideration.

SEPARATION OF BURMA.

(*See Report* 1933, *page* 86).

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta in December

1934 the following resolution moved by the Bengal Chamber of Commerce was carried *nem con*:—

"The Associated Chambers emphatically record their opinion that the separation of Burma should not be allowed to become a pretext for imposing extra taxation, as a measure of budgetary expedience, to the detriment of trading interests in both countries and to the further embarrassment of trade recovery.

"In their opinion, any trade convention which may be concluded between the two Governments should, in the first place, be arranged on the basis of the free trade relations which now exist between the two countries, with due allowance solely for the substitution of equivalent import duties for existing excise duties."

A copy of the resolution and of the report of the discussion which preceded its adoption were duly forwarded to the Government of India for consideration.

Subsequently the Hon'ble Member in Charge of the Commerce Department, invited the Associated Chambers to nominate two of its members, representative of the trade and commerce between India and Burma, to discuss with him the question of the future trade relations between the two countries, in the event of separation, which the Government of India had under consideration. Mr. G. L. Winterbotham, President of the Bombay Chamber, and Mr. (now Sir) George Campbell, a member of the Committee of the Bengal Chamber, accepted the invitation of the President to act as the Associated Chamber's representatives at the meeting which was held on the 9th and 10th January 1935.

In August 1935 the Government of India issued a White Paper on the subject of trade and immigration relations between India and Burma after the separation of Burma and subsequently issued two further papers (1) Report of the Tribunal appointed to advise on the formulation of a

financial settlement between India and Burma in the event of separation and (2) Arrangement with respect to the relations between the monetary systems of India and Burma in the event of the separation of Burma from India as agreed between the Governor-General of India in Council and the Governor of Burma in Council and approved by the Secretary of State.

In September 1935 the Committee drew the attention of the Associated Chambers of Commerce of India to the fact that the regulation in respect of the levy of Customs duties and cesses was restricted to import, export by sea. The Committee stated that they were aware that land traffic between India and Burma was very difficult, though the construction of a connecting railway had been considered on several occasions. No provision had, however, been made in the Agreement in regard to land or air transport. The Committee suggested that the President might bring this omission to the notice of the Government of India and enquire whether there was any special reason why land and air traffic had been excluded from the agreement.

In reply the President of the Associated Chamber stated that in an interview the Secretary of the Commerce Department of the Government of India had advised that the land and air traffic between India and Burma was not now considered to be of sufficient importance, or likely to be of sufficient importance to necessitate inclusion in the terms of Article 3(1) and (2) of the provisional draft of India and Burma Trade Regulation Order. This was presumably on the principle of "*de minimis non curat lex*".

Both Governments, of course, had the power to exempt any goods passing from the territory of one into the territory

of the other by land or air from the operation of a duty or cess as they also had the power to lower or raise such duties or cesses to the level of those operative on the date of separation.

The Committee informed the President of the Associated Chambers that they did not consider that the argument used by the Secretary of the Commerce Department was altogether sound in view of the fact that the agreement was not limited to a definite period but was for an indefinite one subject to a minimum of three years. The Committee were of opinion that no harm would have arisen from the inclusion of air and land traffic in the Draft Trade Regulation Order, whilst their exclusion left the door open for complications and disputes at some future date. The Committee were consequently in favour of the matter being raised officially with the Government of India but suggested that the Associated Chambers should first consult the Burma Chamber before taking action.

In December 1935 the Associated Chambers enquired whether this Chamber would approve the Association urging on the Government of India that the postage and telegraph rates after the separation of the latter should continue at the level of the inland rates.

In reply the Committee stated that they were fully in favour of the Associated Chambers addressing the Government of India as suggested by the Burma Chamber.

SECURITY ACTS.

In March 1935 the Associated Chambers of Commerce of India were asked by the European Group in the Indian Central Legislature for an expression of their views on the question of how far it was necessary to retain the safeguards

provided by the existing Security Acts. In inviting the views of constituent Chambers in the matter the Associated Chambers enquired in particular (*a*) whether they were in favour of the Criminal Law Amendment Act being made a permanent measure or extended for two years, and (*b*) what provisions of the Act should be continued in Central legislation and what provisions might be incorporated in Provincial legislation.

Taking first the two specific points on which the Chamber's views were sought the Committee informed the Associated Chambers :—

(*a*) that in their opinion it was preferable to make the new legislation permanent *i.e.*, until repealed—rather than to limit it to a further period of two years. It was to be presumed that it was Government's intention never to allow subversive activities to overthrow the State, and powers for this purpose might therefore be permanent. They would not be used if they were not required.

(*b*) That in principle, legislation of this kind should be of an all-India nature. Clearly the provisions dealing with the Press must be of central application, and the same applied to the declaration of associations as unlawful. It would not for instance do for a body to be declared unlawful in one province and not in the rest. The action to be taken on such declaration was left in the present Act to local Governments, and that seemed to the Committee to be the right procedure.

A further argument in favour of continuing to legislate centrally would seem to be the certainty that certification would anyhow be required for such provisions as the Government of India themselves said must remain central. It

seemed not unlikely that in some provinces also, if part of the legislation was to be undertaken by them, the Governor would have to certify it. The Committee thought it would probably be better to confine this unpopular proceeding to one time and one place.

With regard to the powers of internment and externment, the Group had indicated that local Governments would deal with this matter. The Group similarly referred to provisions for the removal of undesirable persons from certain areas in connection with the Criminal Law Amendment Act. The Committee could not find that Act No. XXIII of 1932 contained any such provision. All the punishments laid down appeared to be fine or imprisonment. It appeared to the Committee preferable that this matter also should, if possible, be covered by central legislation.

Again the Group mentioned that Government did not appear to attach special importance to provisions dealing with the seizure of buildings since the Communist organisations did not possess buildings. In the view of the Committee, if the Communist movement made sufficient headway to bring it seriously into contact with security legislation it might easily have reached the stage when it would possess buildings. In any case if Government were going to the length of creating security legislation by certification they might as well take ample powers and not leave such obvious loopholes as those indicated by the European Group.

In conclusion, the Committee expressed strong opposition to the Associated Chambers taking joint action with the European Association.

The Chamber was informed subsequently that the Associated Chambers had addressed the European Group intimat-

ing that on the whole the constituent Chambers were of opinion that legislation of this kind would be better dealt with centrally, not only because of its contentious nature and the possibility of certification being necessary, but also because it seemed to them desirable that there should be uniformity throughout India in such matters as the declaration of unlawful associations and the control of the press. At the same time, in view of the approach of provincial autonomy, it was necessary that the Local Governments should be vested with adequate powers and the Chambers thought the correct course to adopt was to follow the procedure of the Indian Press (Emergency Powers) Act of 1931, and of section 13 of the Criminal Law Amendment Act, whereby the Local Governments were left to take action if and when necessary.

INCOME-TAX.

(*See Report* 1934, *page* 54.)

It was mentioned in the Chamber's Report for 1934 that when Sir Hari Singh Gour's Income-tax Bill was before a Select Committee in August 1934 the Government of India stated that they were proposing to secure the services of one or more Income-tax Experts from the British Inland Revenue Department in order to conduct an exhaustive examination of the Indian income-tax system. It was announced in the Press in August 1935 that the enquiry would be a departmental one and would be conducted by two British Income Tax Experts and a Government of India Official.

It was not at first proposed to invite commercial bodies or individuals to give evidence. When, however, Sir James Grigg, the Finance Member of the Government of India, met the Indian Merchants' Chamber on the 30th August

1935 he informed that Chamber that the scope of the enquiry had been enlarged to cover the structure of income-tax itself as well as the more important grievances of the tax-payers, and that it had been decided to give representative commercial bodies an opportunity to put forward their views fully to the Experts by the submission of Memoranda and, in the more important commercial centres, orally as well.

Members of the Chamber were circularised on the 13th September 1935 and asked for their views on any income-tax matters of general interest, particularly in connection with the amendment of the Income-tax Act and/or procedure, to place before the Income-tax Sub-Committee of the Chamber.

The various points raised by members were examined by the Income-tax Sub-Committee who submitted a separate memorandum on each of these points showing the action they recommended the Chamber should take in each case. Copies of these memoranda were forwarded to the Associated Chambers of Commerce of India.

The Government Committee of Income-tax Experts consisting of Mr. C. V. Ayres, Mr. S. P. Chambers and Khan Bahadur J. B. Vachha, Commissioner of Income-tax, Bombay Presidency, visited the Chamber on the 2nd December 1935 and the Hon'ble Mr. R. H. Parker accompanied by Mr. G. C. Pocock and Mr. G. A. H. Alexander appeared before them and gave oral evidence on behalf of the Chamber. A summary of the views put forward by the Chamber's representatives together with the supplementary notes forwarded to the Income-tax Experts in connection with the oral evidence are printed, for purposes of record, in the Appendices to this Report.

INCOME-TAX.

VALUATION OF STOCKS.

(*See Report* 1929, *Volume I, page* 32.)

In December 1934, the Associated Chambers of Commerce of India asked for this Chamber's views on a letter that had been received from the Bengal Chamber enquiring (*a*) what principle, if any, was being generally followed, by the Income-tax authorities in Bombay with regard to the valuation of stocks (raw and manufactured); and (*b*) what were the Chamber's views with regard to what was the correct procedure under the Act as at present framed.

The Committee in reply in the first place drew attention to this Chamber's letter of the 20th September 1929 on the same subject (see Report for that year, page 32), wherein it was stated that the usual method of valuing stocks for accounts purposes was to take cost or market value, whichever was the lower, and when a substantial fall in prices had occurred within a short time after the closing date, it was only prudent for a company to take that into account in making the valuation. This appeared to be the position still in Bombay and the Committee thought that no Income-tax Officer would object to this method provided the same basis was adopted every year, otherwise the correct profits or losses of "the previous year" would not be ascertainable. If the method of valuation was changed from year to year to suit the convenience of the assessee the Committee considered that the Income-tax Officer would have every right to exercise his powers under Section 13 and decide what method should be adopted. The Committee's view was confirmed by the Privy Council in the case "Commissioner *vs.* Ahmedabad New Cotton Mills, 54, Bom. 213." Here the Company undervalued its stocks both at the opening and closing of the

accounts. The Income-tax Officer re-valued the closing stock. The Company argued that if the closing stock was taken at its proper value then the opening stock should also be so taken. With this argument the Privy Council agreed and stated that "The one thing that is essential is that there should be a definite method of valuation adopted which should be carried through from year to year so that in case of deviation from strict market value in the entry of the stock at the close of one year it would be rectified by the accounts in the next year."

INSPECTION OF BOOKS AND RECORDS BY THE INCOME-TAX DEPARTMENT.

In March 1935 the Associated Chambers of Commerce of India asked for the views of this Chamber on a representation that had been received from the Punjab Chamber in regard to the inconvenience caused by assessees being required to appear before Income-tax Officers with books and records on more than one occasion first for examination by Income-tax Inspectors and subsequently by Income-tax Officers. The Punjab Chamber stated that before the enactment of the Income-tax Act, 1922, when collection of income-tax was in provincial hands, it was the practice for Income-tax Inspectors to visit the offices of assessees of standing for inspection of accounts and for obtaining data for making assessments, a procedure the adoption of which it was felt, obviated much waste of time and labour to assessee who had to carry numerous accounts, books, etc., to the Income-tax Office more than once.

The suggestion was therefore made to the Commissioner of Income-tax, Punjab, that assessees who paid an income-tax of Rs. 50,000 and over should be given the privilege of

having their books examined at their own offices, in reply to which the Commissioner stated that instructions generally on those lines were issued in 1924, and 1928 and remained in force but he regretted he could not agree to fetter the discretion left to officers in this matter by making any tax-payments criterion.

The Punjab Chamber asked the Associated Chambers to ascertain from constituent Chambers whether they had received complaints from their members regarding the procedure whereby they were required to present themselves with books and records at the Income-tax office more than once.

After consulting the Income-tax Sub-Committee, the Committee informed the Associated Chambers that it appeared to be the general experience of the members of the Committee and of the Income-tax Sub-Committee that the Income-tax officers and the Commissioner in Bombay were not unreasonable in their demands regarding the production of books, etc.

Paragraph 69 of the Income-tax Manual laid down that "the least possible inconvenience should be given to assessees by the detention of the accounts by Income-tax Officers, and Income-tax Commissioners should take steps to see that accounts are not detained for any undue time."

The Committee were of opinion that it would be a mistake to make any hard and fast rules in the matter and that it could safely be left to Commissioners to see that the instructions in paragraph 69 were carried out. The Committee expressed a hope that the evidence of freedom from difficulty in Bombay (and no doubt elsewhere) would enable the Punjab Chamber to secure more reasonable treatment than the Committee believed, on independent information, to be always accorded to assessees in that province.

INFRINGEMENT OF TRADE MARKS AND ADULTERATION OF DRUGS.

(*See Reports* 1933, *page* 73 ; 1934, *page* 78.)

During the months of June and July 1935 there were several disclosures in the local press that certain very grave malpractices existed in Bombay in connection with infringements of trade marks and adulteration of drugs and other pharmaceutical products. The disclosures showed that the fraudulent sale of worthless and even dangerous drugs was rife. At a meeting of the more important firms and agencies concerned with the sale of drugs and pharmaceutical products in Bombay, held in the rooms of the Chamber on the 2nd July 1935, the following resolution was adopted :—

"That it be conveyed to the Chamber of Commerce, Bombay, the Indian Merchants' Chamber and the Bombay Trades Association that the feeling of this Meeting is that every possible pressure through constitutional channels be brought to bear upon the Government of India with a view to emphasizing the urgent need for :

(*a*) The adoption of the recommendations of the Drugs Enquiry Committee which made its report to Government in December 1931.

(*b*) Revision of the Merchandise Marks Act, 1889.

(*c*) The adoption of a Trade Mark Registration Act.

(*d*) Such revision of Sections 468, 481/2/3/4/5/6/7 and 488 of the Indian Penal Code as would be required to make the offences covered by them cognisable offences, instead of non-cognisable offences."

The Committee subsequently drew the attention of the Government of India to the matter and mentioned that in June 1933, in replying to a questionnaire issued by the Surgeon General with the Government of Bombay, in connection with

the recommendations of the Drugs Enquiry Committee, the Committee had stated that they would welcome legislation for the control of drugs and pharmacy in India, a step which they regarded as very necessary and long overdue. The Committee enquired as to Government's attitude to the report of the Drugs Enquiry Committee and urged that further and immediate consideration be given to the question of introducing legislation to give effect to its main recommendations.

In July 1935 the Government of Bombay introduced a Bill to amend the Bombay Prevention of Adulteration Act, 1925. In supporting a request that the Bill should be referred to a Select Committee, Mr. Lely, one of the Chamber's representatives in the Bombay Legislative Council, urged that the scope of the Bill should be widened to include drugs which were at the moment specifically excluded. The President of the Council pointed out that most of Mr. Lely's speech was irrelevant and that the proper course was to move an amendment at the first reading. The Legal Remembrancer expressed doubts as to this course, but the President decided to allow such an amendment though he advised Mr. Lely to withdraw it since the Bill would have to be completely redrafted if it was to include drugs. Mr. Lely asked whether Government would consider bringing in a Drug Adulteration Bill themselves or support a non-official Bill. Government replied that while they realized the necessity for legislation they were in such financial straits that even if a Bill were passed they would not be in a position to enforce its provisions.

In withdrawing his amendment Mr. Lely expressed the hope that the attention of the Government of India would be drawn to the debate.

At the meeting of the Legislative Council held on the 23rd July 1935 the following question was put by Rao Bahadur S. K. Bole :—

Will the Honorable Minister for Local Self Government be pleased to state—

(*a*) whether Government are aware that aduleration of drugs is being carried on on a vast scale in this Presidency to the detriment of the public ;

(*b*) if so, when do they propose to give effect to the proposals of the Drug Enquiry Committee appointed by them in the year 1931 in order to check this trade ?

The Minister, the Honourable Sir Shah Nawaz Bhutto, in reply, said :—

(*a*) Government are aware that a large number of adulterated drugs are on the market in this Presidency.

(*b*) The Drugs Enquiry Committee was appointed by the Government of India and it is for that Government to take the requisite action on the proposals submitted by the Committee.

On the 19th September 1935 the following resolution was adopted by the Council of State :—

"This Council recommends to the Governor General in Council to initiate early measures to implement the conclusions of the Report of the Drugs Enquiry Committee."

"or, if for financial or other reasons he has to delay giving effect to all the conclusions of the Committee, to take early steps to pass legislation which would effectively prevent the sale of spurious drugs."

On the 21st October 1935 the following questions were put in the Bombay Legislative Council by Mr. Lely :—

"Will the Honourable the Minister for Local Self-Government be pleased to state—

(*a*) whether his attention has been drawn to the resolution which was passed on 18th September in the Council of State in connection with the sale of spurious drugs;

(*b*) with reference to the views then expressed by the spokesman of the Government of India, to the effect that action could be taken only in co-operation with Provincial Governments, will the Honourable the Minister be pleased to state whether the Government of Bombay have given further consideration to this matter, in the light of the debate in this House on 27th July 1935, on Bill No. XXVI of 1935 (A Bill to amend the Bombay Prevention of Adulteration Act, 1925)?

Mr. H. K. Kirpalani: (*a*) Yes.

(*b*) Government have made inquiries of the local Governments of the provinces where there is legislation for the control of the sale of adulterated drugs, regarding the steps taken by them to enforce the provision of such legislation and the cost incurred by them in that connection. Their replies are awaited. The action to be taken by this Government will be determined on receipt of these replies.

Mr. W. G. Lely: May I ask one supplementary question? Have Government had any further communication from the Government of India, as was indicated in the speech of the Honourable Mr. Ramchandra in the Council of State?

Mr. H. K. Kirpalani: No, Sir, not yet.

Mr. W. G. Lely: May I also ask whether Government will be prepared to make available to members of this House the replies that they expect to receive from other Provincial Governments?

Mr. H. K. Kirpalani: I am unable to say at present.

Mr. Syed Munawar: May I know when these enquiries were addressed to the other local Governments?

Mr. H. K. Kirpalani: They were addressed since this question was last raised in this House.

REGISTRATION OF TRADE MARKS IN INDIA.

(*See Reports* 1876-77, *page* 27; 1877-78, *page* 33; 1878-79, *page* 38; 1879-80, *page* 38; 1880-81, *pages* lxxxviii, 18; 1883-84, *page* 152; 1980, *pages* 166, 215; 1891, *page* 168; 1896, *page* 96; 1903, *page* 41; 1904, page 48; 1906, *pages* 139, 543; 1908, *page* 24; 1909, *pages* 80, 541; 1913, *pages* 111, 697; 1914, *page* 59; 1919, *pages* 73, 459; 1926, *Vol. I.*, *page* 353; 1928, *Vol. I*, *page* 74; 1931, *Vol. I*, *page* 317; 1932, *page* 107; 1933, *page* 64, and 1934, *page* 50.)

In replying to an enquiry from the Associated Chambers of Commerce of India as to the existing position in regard to the contemplated legislation to provide for the registration of trade marks as a result of the special examination of the subject by Government in their review of the existing body of commercial legislation in India, the Government of India informed the Associated Chambers that they had in hand the questions of the revision of the Company and Insurance Laws and had had to defer further active consideration of the question of trade marks legislation till these more urgent matters were disposed of.

In addressing the Associated Chambers in the matter the Committee stated that they did not consider it would be unreasonable for the Association to continue to press the Government of India to examine the question of undertaking legislation to provide for the registration of trade marks in India. The Committee were of opinion that the question was of sufficient importance and urgency to warrant the Government of India putting an officer on special duty, if necessary, for the purpose, in order that there might not be further delay.

INFRINGEMENTS OF DESIGNS.

(*See Reports* 1932, *page* 111 ; 1933, *page* 179 *and* 1934, *page* 52.)

In February 1935 the Government of Bombay asked for the views of the Chamber on a letter that had been received from the Government of India in which the latter stated that they had in the course of the last two years received several representations from Chambers of Commerce in India complaining of the pirating of British piecegoods designs by certain foreign manufacturers, and suggesting amendments of the law to put a stop to the import of goods bearing pirated designs. The Government of India stated further that they had been furnished with evidence of the prevalence of the evil, and if the law as it stood at the moment was inadequate to prevent the abuse, they would be prepared to consider favourably any reasonable amendment for this purpose.

That Government added that some of the remedies suggested were unacceptable to them for various reasons, and the proposal now before them was that embodied in the following resolution passed by the Associated Chambers of Commerce at their meeting on the 8th January 1934 :—

"This Association desires again to impress upon the Government of India the necessity of giving the Customs authorities powers under section 18 (*d*) of the Sea Customs Act to detain goods the designs on which are infringements of designs coming within the purview of the Indian Patents and Designs Act."

This proposal was open to no objection of principle, for it would merely extend to registered designs provisions which already applied to copyright. Moreover, while it would involve a certain amount of additional work on the Customs authorities, its enforcement would give rise to no

serious practical difficulties and would probably prove fairly effective for its purpose. If it were adopted, the most convenient method of carrying it into effect would be by inserting in the Indian Patents and Designs Act, 1911, a provision on the lines of section 6 of the Indian Copyright Act, 1914.

The question on which the Government of India asked for the opinion of the local Government was whether it was necessary or desirable to amend the law in the manner suggested or whether the remedy already provided by the Patents and Designs Act should be regarded as adequate. Section 53 of that Act enabled the proprietor of a registered design to secure an injunction and damages up to a sum of Rs. 1,000 in respect of any one design. The Government of India understood that a number of suits had been brought under this section, particularly in Calcutta, and the smaller use made of it in the west of India was probably due to the fact that up to 1932 the Customs authorities at Bombay and Karachi read the Merchandise Marks Act as enabling them to detain goods bearing pirated designs and acted accordingly. The main difficulty in the way of a more general use of the section was that as soon as the goods passed the Customs they were liable to be cut into lengths, so that a consignment could not be indentified and piracy of designs could not be brought home to the persons responsible.

In replying to the Government of Bombay the Committee gave the previous history of the question and mentioned that the resolution referred to by the Government of India was first moved at the annual general meeting of the Associated Chambers held in January 1933 and repeated at the annual general meeting held in January 1934. The Committee pointed out that although the Act in its existing form provided

penalties for infringement, action against the responsible party (the importer) was very difficult, and to secure that an offence would not be repeated action must be taken against the importer and not sub-buyers or petty dealers. At the moment an infringement was not generally detected until the consignment was broken up and cases bearing marks, etc., were destroyed. The goods often did not bear the importer's name. It was therefore very difficult for the owner of the design to anticipate when further arrivals of the offending goods were likely, and thus it was only occasionally possible to detect infringements in the Custom House in time to swear an affidavit and obtain an interim injunction preventing the clearance of the goods.

The Committee considered that the amendment of the Indian Patents and Designs Act, 1911, in the manner suggested by the Government of India, would accordingly be of assistance to the owner of a registered design, in that (1) he would have the advantage of a Customs watch on imported goods, and (2) he would be able immediately to get the Customs to hold up suspected goods merely by passing an indemnity bond.

When this proposal was originally discussed with the Customs authorities in Bombay, the latter apparently feared that an inordinate amount of work would be thrown on their shoulders and that they would be asked to set a watch for infringements of thousands of designs. The Committee felt, however, that although a certain amount of extra work for the Customs authorities would be inevitable at first, it would not be of such an amount as was anticipated, and in any case within a year or two the piracy of designs would be practically eliminated, so that the extra work would become merely nominal.

As the law stood at the moment it did not admit of measures being taken to prevent or even to check the infringement or pirating of established designs from which the consumer as well as the owner of the design suffered and the Committee were of opinion that it should be amended. They expressed a hope therefore that the Government of Bombay would impress on the Government of India the urgent necessity of amending the Indian Patents and Designs Act in the manner suggested at the earliest possible date.

In May 1935 the Associated Chambers of Commerce of India asked for the views of this Chamber on the following alternative proposals put forward by the Bengal Chamber :—

(*a*) that the amendments suggested by the Government of India of the Patents and Designs Act should be extended to cover tickets, numerals and letters used on piecegoods as trade marks, or

(*b*) that the provisions of the Indian Merchandise Marks Act should be scrutinised and if necessary amended so as to afford merchants more adequate protection in respect of their trade marks, tickets, numerals and letters.

The question was referred by the Committee to the Import Sub-Committee of the Chamber who reported that they had not found the Customs authorities in Bombay reluctant to take action under the Merchandise Marks Act. The Committee did not therefore approve proposal (*a*). As regards proposal (*b*) the Committee stated that they would be glad to receive further particulars of this proposal before expressing any opinion on it.

A member also asked for the views of the Chamber on a suggestion from their Home correspondent that in order to make the detention of goods containing pirated designs

most effective, pattern cards showing specimen cuttings of the contents of all cases, etc., of piecegoods should be forwarded to the Customs authorities and be made available for public inspection.

The proposal was considered by the Import Sub-Committee who, however, were of opinion that there would be practical difficulties in the way of carrying it out. It was also thought that the proposal would be regarded with disfavour by a number of importers. The member was informed accordingly.

INSURANCE LEGISLATION.

Proposed Revision.

(*See Report* 1934, *page* 45.)

In January 1935 the Associated Chambers of Commerce of India forwarded to this Chamber a copy of a letter that had been received from the Government of India intimating that it had been decided to undertake the revision of the exsiting law in India relating to regulation of insurance companies contained in the following Acts:—(1) The Indian Life Assurance Companies Act, 1912; (2) The Provident Insurance Societies Act, 1912; and (3) The Indian Insurance Companies Act, 1928. The Government of India enquired whether the Chambers had any suggestions to make regarding amendments to the Acts.

After consulting members of the Chamber interested in insurance business the Committee informed the Associated Chambers that they had no views to put forward on behalf of the Chamber at that stage and that they had decided to leave the matter to be dealt with by the various Insurance Associations.

ASSIGNMENT OF LIFE ASSURANCE POLICIES IN INDIA.

(*See Report* 1934, *page* 45.)

In July 1934 the Government of Bombay forwarded to the Chamber a copy of a letter that had been received from the Government of India in which the latter referred to the suggestion put forward by the Associated Chambers of Commerce of India that Section 130 of the Transfer of Property Act, 1882, (IV of 1882) should be amended on the lines of Section 3 of the Policies of Assurance Act, 1867 (30 and 31 Vict. Cap. 144) so as to require a notice of assignment of a life assurance policy to be given to the Insurance Company. Under Section 130 of the Act of 1882, the assignment of a life assurance policy took effect from the date of execution of the instrument of transfer, and its validity was not dependent on the giving of notice to the insurance company. The Associated Chambers had pointed out that a lender when making an advance on the security of such an assignment could not at the moment obtain protection against a previous assignment of which no notice had been given to the insurance company. The Government of India were inclined to agree with the Associated Chambers that this constituted a defect in the law which should be remedied. They stated, however, that absence of protection against previous arrangement without notice affected the transfer not only of life assurance policies but of other actionable claims, and it was for consideration, therefore, whether the opportunity should not be taken to make a more general amendment of Section 130 of the Transfer of Property Act, 1882, so as to bring that section into line with Section 136 of the Law of Property Act, 1925 (15 Geo. V, Ch. 20).

The Government of Bombay asked for the views of the Chamber in the matter.

The Committee carefully considered the question in consultation with the Chamber's legal advisors, and in replying to the Government of Bombay they stated that it might be presumed that when the framers of the Indian Transfer of Property Act, 1882, were framing Section 130 of that Act they had before them Sub-section (6) of Section 25 of the English Supreme Court of Judicature Act, 1873 (36 and 37 Vic. Cap. 66). That Section had been repealed but had been re-enacted in almost identical terms by Section 136 of the English Law of Property Act, 1925. It was observed that by Sub-section 2 of Section 136 that Section did not affect the provisions of the Policies of Assurance Act, 1867 (30 & 31 Vic. Cap. 144.) It was not known why the framers of the Indian Transfer of Property Act of 1882 in framing Section 130 thought fit to differentiate the law in India relating to the assignment of actionable claims from the law in England. The Indian Transfer of Property Act, as originally framed, had been amended on more than one occasion and when amended in 1899 it was stated that it was thought best to legislate on the lines of the English Supreme Court of Judicature Act, 1873, so as to restore uniformity in the law of the two countries in so far as the same subject matter was dealt with. Notwithstanding such statement, the fundamental difference between the laws of the two countries in relation to the assignment of actionable claims had been maintained, with the result that in England the legal right to a debt or actionable claim passed from the date of the notice to the debtor of the assignment, and express notice thereof had to be given, whereas in India the transfer operated from the date of the execution of the

assignment and it was expressly provided that the assignment became effective whether notice of the assignment was given to the debtor or not.

The Indian Act provided adequate protection to the debtor who had not received notice of a previous assignment, and who paid the assignor who applied to him for payment. The Act did not however protect an assignee of an actionable claim, even if such assignee had previously enquired of the debtor and the assignor whether any previous assignment had been made and had received an answer in the negative, if in fact there was in existence a previous assignment.

There could not therefore, in the opinion of the Committee, be any question but that Section 130 of the Transfer of Property Act as it stood lent itself to the perpetration of a fraud and any amendment of an Act which would operate to prevent or to lessen the possibility of fraud was to be welcomed. The Committee entirely agreed therefore with the proposal of the Government of India to amend Section 130 of the Transfer of Property Act, 1882, so as to bring it into line with Section 136 of the English Law of Property Act, 1925.

The only objection which the Committee could foresee to the proposal would be that the compulsory giving of notice to perfect the title of the assignee might affect the credit of an assignor who was borrowing money temporarily and did not wish to disclose the fact to his debtor, but this objection was not of sufficient importance to justify the rejection of the proposal.

The Committee were of opinion that an amendment of Section 130 of the Transfer of Property Act, 1882, on the lines of Section 136 of the English Law of Property Act, 1925, would afford the required protection in regard to

assignment of Policies of Life Assurance, but the Committee suggested that the words in Section 136—"not purporting to be by way of charge only"—should be omitted, so as to bring assignments of Life Policies under Section 130 into line with assignments of Life Policies under Section 3 of the Policies of Assurance Act, 1867.

The Committee did not consider that a separate enactment on the lines of the Policies of Assurance Act, 1867, was necessary, but it would, they thought, be advisable to incorporate into the amendment of Section 130 or by the introduction of additional sections in Chapter VIII of the Transfer of Property Act which dealt with Transfers of Actionable Claims the provisions of Clauses 4 and 6 of the Act of 1867. It was noted that Clause 4 required the Assurance Company to specify on every policy issued by it the principal place of business at which notice of assignment was to be given, and Clause 6 required the Assurance Company to acknowledge over the signature of a principal officer the receipt of every notice of assignment, and that such acknowledgment should be conclusive evidence as against the Assurance Company of the receipt of the notice to which such acknowledgment related. The amendment of Section 130 of the Transfer of Property Act, in the opinion of the Committee, should not, however, be limited to assignments of Policies of Life Assurance but should, as suggested by the Government of India be extended to assignments of all actionable claims.

The Committee added that the point had been raised in some quarters that a general amendment of the Transfer of Property Act as recommended above would result in Banks having to give notice in every case to a debtor if they lent money to a customer against the security of book debts. In

order that the Government of Bombay might be in a position to consider this aspect of the question the Committee forwarded to them a copy of a letter that was written in April 1934 by the solicitors of the Exchange Banks Association to the Chairman of that Association on the subject.

CODE OF CIVIL PROCEDURE (SECOND AMENDMENT) BILL.

Enforcement in the United Kingdom of Judgments obtained in British India.

On the 27th February 1924, the Government of India introduced a Bill further to amend the Code of Civil Procedure, 1908; the object of which was to provide for the enforcement in British India of judgments obtained in the United Kingdom and in other notified parts of His Majesty's Dominions, as part of a reciprocal arrangement, the other part of which consisted of the extension to British India of the provisions of Part II of the Administration of Justice Act, 1920, under which the judgments of Superior Courts in India would become enforceable in the United Kingdom. The Select Committee to which the Bill was referred expressed the opinion that the Bill would not ensure a fair measure of reciprocity. The difficulty arose from the fact that under the British Act reciprocity could only be applied to judgments of "Superior Courts" and most of the British Indian Courts of unlimited civil jurisdiction would not have come within the meaning of the term "Superior Courts" as used in that Act. No amendment of the Indian Bill could have altered that position, and for this reason it was decided to drop the Bill. The position was however altered by the passing of the Foreign Judgments (Reciprocal Enforcement) Act, 1933, which provided for the extension of Part I thereof to His Majesty's Dominions outside the

United Kingdom by an Order in Council and also left it to the Order in Council to specify the Courts which shall be deemed as "superior" within the meaning of the Act. The Government of India ascertained that the Lord Chancellor had no objection to the Act being applied to all Indian Courts possessing unlimited original civil jurisdiction. This removed the obstacle which stood in the way of legislation in 1924, and on the 13th February 1935 the Government of India introduced a Bill which substantially embodied the provisions of the old Bill with some modifications mainly necessitated by the terms of the new English Act. The Bill was referred to a Select Committee on the 21st February 1935 and then report was presented to the Legislative Assembly on the 18th September 1935.

NEGOTIABLE INSTRUMENTS ACT, 1881, SECTION 115.

Drawee in Case of Need.

In January 1935 the Associated Chamber of Commerce of India asked for the views of the Chamber on a point raised by the Bengal Chamber in regard to the desirability of section 115 of the Negotiable Instruments Act dealing with "cases of need" being amended. The Bengal Chamber pointed out that under the law of India, where a case of need was named in a bill of exchange, the bill was not dishonoured until it had been dishonoured by the case of need. It was contended that this placed upon the Bank the obligation in every case to go to the additional expense of presenting the bill to the case of need although this procedure appeared to be no safeguard whatever to the drawer of the bill. Section 115 of the Negotiable Instruments Act read as follows:—

> Where a drawee in case of need is named in a bill of exchange or in any endorsement thereof, the bill is not dishonoured until it has been dishonoured by such drawee.

Under the English law the option as to whether or not the bill should be presented to the case of need lay with the holder, the relevant section No. 15 of the Bills of Exchange Act reading as follows :—

> The drawer of a bill, and any endorser, may insert therein the name of a person to whom the holder may resort in case of need, that is to say, in case the bill is dishonoured by non-acceptance or non-payment. Such person is called the referee in case of need. It is in the option of the holder to refer to the referee in case of need or not as he may think fit.

The Bengal Chamber in the first place addressed the Government of India in the matter and suggested that the latter might consider the desirability of amending section 115 of the Indian Act so as to bring it into line with the English Act. The Government of India, however, were unwilling to move in the matter as they held that *prima facie* there was no strong case for taking any action but suggested that if the commercial interests in the country felt that such a nendment was necessary it was open to them to take the necessary steps through their representatives in the legislature.

After consulting the Finance Sub-Committee the Committee informed the Associated Chambers that they supported the suggestion of the Bengal Chamber for the amendment of section 115 of the Negotiable Instruments Act on the understanding that such amendment would not deprive the drawer of a bill of the right to insert instructions thereon that the bill must be noted against a named case of need in the event of dishonour.

As a result of conversations between the European Group in the Central Legislature and the Government of India the Bengal Chamber was requested by the Associated Chambers to endeavour to enlist the support of the Reserve

Bank of India. The view of the latter was, however, that although section 115 of the Negotiable Instruments Act might have lost a certain amount of its original force and purpose they were not convinced that the section caused such inconvenience in practice as to justify a recommendation to Government that the section should be amended or excluded from the Act. They pointed out that, as far as the Banks were concerned, they had their remedy in noting and any extra expense incurred under the section did not fall on the Banks. The Reserve Bank added that it might further be argued that the "case of need" fulfilled a useful purpose inasmuch as he was the promoter of business, which might be reduced if his functions were curtailed. In short, although the Reserve Bank did not question that the section might lead to some inconvenience, they doubted whether a case for revision of the section by Government could be substantiated at the present time particularly in view of the possibility that the legislation might prove contentious.

In view of this opinion the President of the Associated Chambers felt that no useful purpose would be served by continuing the correspondence and he decided to leave the matter in abeyance until a suitable opportunity of re-opening it arose.

BOMBAY WEIGHTS AND MEASURES ACT.

(*See Reports* 1906, *pages* 116, 487; 1908, *page* 110; 1910, *page* 99; 1912, *pages* 118, 646; 1913, *pages* 45, 300; 1914, *pages* 50, 398; 1915, *pages* 68, 422; 1920, *Vol. I, page* 201; 1922, *Vol. I, page* 306; 1924, *Vol. I, page* 344; 1932, *page* 114; 1933, *page* 98 *and* 1934, *page* 68).

The Bombay Weights and Measures Act 1932 came into force on the 1st August 1935. It was introduced in the first

instance in the City of Bombay and in the districts of Broach, Surat, Thana, Bombay Suburban, Poona, Ahmednagar, Satara, Belgaum, Karachi and Sukkur including all municipal areas in those districts.

Subsequently the Chamber received representations from members and others in regard to what they considered would be practical difficulties in the working of the Act and principally in connection with the fees to be levied for verification and stamping of weights. The Committee decided however to take no action at the moment but to watch closely the operation of the Act and Rules during the first six months it was in force.

BOMBAY WEIGHTS AND MEASURES ACT.

The "Old Measure" Gallon.

In January 1935 it was brought to the notice of the Chamber by a member that under the Bombay Weights and Measures Act, 1932, the liquid measure was specified as "the Bombay seer, with sub-multiples and multiples, the Imperial gallon and the pint." This meant that the use of the old measure gallon was prohibited. It was claimed that the old measure gallon which was four-fifths of the Imperial gallon, was the standard measure for varnishes, paints, oils, etc., throughout the whole of India and Burma, as far as the bazaar trade was concerned. The Government of Bombay were not in favour of amending the Act so as to permit the use of the old measure gallon but after correspondence and interviews with the Director of Industries it was suggested to the latter that in the case of such articles as varnish, enamel, ready mixed paint, etc., which had hitherto always been sold per old measure gallon, Government should agree to allow such packings to be continued provided

that on each tin a label or some similar device was affixed showing the corresponding Imperial gallon content of each tin. For example in the case of the 1 old measure gallon tin in future the contents of such would be described as "1 O.M. gallon or 4/5 Imp. gallon."

The Director of Industries subsequently informed the members concerned that the arrangement suggested above would comply with the requirements of the Bombay Weights and Measures Act, 1932.

BOMBAY WEIGHTS AND MEASURES ACT.

The "Khandy" of 784 lbs.

In March 1935 the Director of Industries informed the Chamber that it had been represented to the Government of Bombay that it would be a great help to the cotton trade if the Bombay Weights and Measures Act, 1932, were so amended as to include in the First Schedule of the Act "the Khandy of 784 lbs." The Director asked for the views of the Chamber in the matter. After consulting the Cotton Sub-Committee the Committee informed the Director that they favoured the proposal.

PROPOSED AMENDMENT OF THE INDIAN COMPANIES ACT.

(*See Reports* 1926, *Vol. I, page* 163; 1928, *Vol. I, page* 69 1929, *Vol. I, page* 44; 1930, *Vol. I, page* 39; 1931, *Vol. I, page* 60; 1932, *page* 378; 1933, *page* 20; 1934, *page* 43.)

It was mentioned in the Chamber's Report for 1934 that the Government of India had appointed a special officer to make a preliminary survey of the many and various proposals which had been made for the amendment of the existing

Indian Companies Act and to ascertain the respects in which it had been found to be defective or out of date so that it might be possible to appreciate more clearly the nature of the problem of amendment.

In November 1935 the Government of India addressed the Associated Chambers of Commerce of India with reference to the procedure to be followed in regard to the amendment of the Indian Companies Act. The Government of India stated that they had had the opportunity of considering the Report of Mr. Sen, the Officer on Special Duty who was appointed to examine the various criticisms of the existing law and suggestions for its amendment which had from time to time been advanced. Certain tentative conclusions had been reached and the Government of India decided that these should be the subject of examination by a small informal Committee under the Chairmanship of the Honourable the Law Member.

The Associated Chambers were therefore invited to nominate one of its members to serve on this Committee.

The Committee of the Chamber supported the nomination of Mr. Alec Aikman, Senior Resident Director of Messrs. Andrew Yule & Co., Ltd., Calcutta, to represent the Associated Chambers at the proposed conference.

RULES OF THE BOMBAY NATIVE SHARE AND STOCK BROKERS' ASSOCIATION.

(*See Reports*, 1923, *Vol. I*, *page* 55; 1925, *Vol. I*, *page* 297; 1926, *Vol. I*, *page* 75; 1927, *Vol. I*, *page* 108; 1930, *Vol. I*, *page* 224; 1932, *page* 295, *and* 1933, *page* 332.)

Under Notification No. 2902-D of the 23rd September 1935, the Government of Bombay published certain

amendments made by the Native Share and Stock Brokers' Association in the rules for the regulation and control of transactions in securities (other than ready delivery contracts). The Government of Bombay invited the opinion of the Chamber on the proposed amendments.

The Committee in reply informed the Government of Bombay that they were of opinion that it was very undesirable that comprehensive amendments such as those under examination should be made in the rules without the proposals having been first examined by an expert Committee. The Committee reminded Government that when the existing Rules were approved by the Government they took into consideration the very full and expert report on the subject by the Atlay Committee and it was thought that no substantial alteration should be made except after due consideration of the advice of an equally expert Committee.

While the Committee were strongly of opinion that comprehensive amendments to the Rules should not be moved except under expert advice and guidance, they did not mean that they considered that the existing trading conditions of the Share Bazaar were incapable of improvement. They merely emphasized the extreme danger of tampering with rules so carefully drafted.

In these circumstances the Committee did not submit a detailed criticism of all the proposed amendments but merely stated their opposition to certain amendments which, in their opinion, were detrimental to the interests of the public.

Some of the powers sought seemed to the Committee to be very objectionable in the interests of a free market and on this point they submitted the view that the only satisfactory

basis was that in force on the London Stock Exchange under which he who could not deliver on a settlement day the shares he had sold had them bought in against him in the open market.

The Committee then drew attention to a few of the amendments to which they took strong exception and which they considered open to serious objections.

In so far as the amendments put forward were intended to discourage excessive speculation, the Committee suggested that if the proposal to appoint an expert Committee to examine the Rules as a whole was adopted, that Committee should consider the desirability of having fortnightly instead of monthly settlements.

The Committee considered that there was some reason for the special consideration of the rules concerning the internal arrangements of the Association, and particularly with regard to brokers and sub-brokers, but they felt that the revision of these rules should not be linked with a general amendment of the trading rules of the Association.

INDIAN FACTORIES ACT.

Draft Rules.

In December 1934 the Commissioner of Labour, Factory Department, asked for the views of the Chamber on certain draft Bombay Factory Rules which the Governor in Council proposed to issue under the Factories Act, 1934, (XXV of 1934.).

The Committee carefully examined the draft rules in consultation with the Labour Sub-Committee of the Chamber who had the advantage of discussing them with the Chief Inspector of Factories. In replying to the Commissioner

of Labour the Committee stated that generally speaking they had no objection to the Rules but in the light of the Sub-Committee's discussion with the Chief Inspector of Factories they put forward the following comments.

Rule No. 33 laid down that special washing accommodation should be provided for the use of workers in any factory in which, *inter alia*, lead processes were carried on. The English Women and Young Persons (Employment in Lead Processes) Act, 1920, contains the following provision for a definition of lead compound. :

"The expression 'lead compound' means any soluble compound of lead which is declared by order of the Secretary of State to be a lead compound for the purposes of this Act, and includes a mixture containing any such compound, but does not include an alloy containing lead. The method of ascertaining whether any compound or mixture is a lead compound within the meaning of this Act shall be such as the Secretary of State may prescribe."

The Committee understood that under the English definition soldering would not be considered a lead process. They were of the opinion that a definition of lead compound on the basis of the solubility test should be provided in the Indian Act so as to make it clear exactly what processes were included within the scope of this rule.

This Rule contained an explanation which read as follows :—

"Employed in 'lead processes' shall for the purpose of this rule be deemed to include all workers normally employed in any room or part of a factory in which lead compounds are manufactured, packed, or used, or a lead furnace is used."

The Committee suggested that this be amended to read as follows :—

"Employed in 'lead processes' shall for the purpose of this rule be deemed to include all workers liable to come into contact with lead

compounds and employed in any room or part of a factory in which such compounds are manufactured, packed or used, or a lead furnace is used."

Appendix III.—10 (*b*) provided for the exemption of workers engaged in pumping operations in oil tank installations from certain restrictions in working hours on condition that no worker was allowed to work more than 66 hours in any one week or in such a manner that the spreadover exceeded 14 hours in any one day. The Committee stated that they would agree to the 66 hours week but they considered that such workmen should be exempted from the spreadover clause.

LICENSING OF GINNING AND PRESSING FACTORIES.

(*See Reports*, 1924, *Vol. I*, *page* 133; 1932, *page* 231; 1934, *page* 73).

In October 1935 the Government of Bombay asked for the views of the Chamber on a Bill which it was proposed to introduce in the Bombay Legislative Council to amend the Cotton Ginning and Pressing Factories Act, 1925 in its application to the Bombay Presidency. In the statement of objects and reasons attached to the Bill it was mentioned that the Cotton Ginning and Pressing Factories Act, 1925, was passed for the purpose of providing for the maintenance of registers by both kinds of factories and the submission of returns by the owners of pressing factories. These provisions served statistical purposes but were not sufficient for the prevention of certain malpractices which were prevalent in ginning and pressing factories. It was stated that some of the malpractices which required to be stopped if the purity of improved grades of cotton was to be maintained and the

cotton grower was to get an adequate price for superior cotton were:—(1) watering of cotton, (2) mixing of different varieties of cotton, (3) false packing. In consequence of these malpractices, the reputation of superior cottons had suffered considerably and it had been from time to time suggested to Government that they should take steps to check them. It had therefore been suggested that cotton ginning and pressing factories should be licensed and the ginning and pressing of cotton which had been watered or mixed should be prohibited. The object of the Bill was to give effect to this suggestion. As the area under improved varieties of cotton under the Lloyd Barrage was fast increasing, and as it was necessary to protect this area from the very beginning, it was proposed to extend the provisions of this Act only to Sind in the first instance.

The Bill was examined by the Cotton Sub-Committee of the Chamber who supported the principle underlying its provisions as they considered that it met a definite want. The Sub-Committee suggested, however, firstly that it should not be possible for the license of a factory to be suspended, withdrawn or cancelled until after the expiration of six months from the date of conviction, and secondly that the owner of the cotton found watered or containing seed or any other foreign substance should be made liable with the owner of the cotton ginning or cotton pressing factory to punishment or conviction. The Bill was introduced in the Legislative Council on the 21st November 1935 and was referred to a Select Committee.

MOTOR TAXATION AND CENTRAL REVENUES.

In December 1934 the Western India Automobile Association addressed the Chamber pointing out that the Central Government absorbed a disproportionate amount

of the revenue derived from motor taxation and urging that it should surrender to the Provinces for expenses on roads a larger portion of the petrol tax. The Association suggested that the immediate loss of revenue to the Central Government might be made good either by increasing the salt duty or by levying death duties. The views of the Chamber were requested together with constructive criticisms regarding the points raised.

In replying to the Western India Automobile Association the Committee stated that it appeared to them that the general case made by the Association might be, and probably was, a good one. For some time past this Chamber had advocated the imposition of death duties and it would almost certainly support an increase in the salt tax if this were considered necessary for budgetary purposes. Having regard, however, to the circumstances of the time the Committee were quite clear that the Chamber should not lend itself to further embarrassing an already embarrassed financial situation. They pointed out that the whole future of the new Constitution rested on the ability to find sufficient Central Revenues to enable autonomous Provinces to start functioning with a hope of success.

The Committee were therefore unable to support the suggestion that death duties and extra salt tax should be levied specially in order to make money available for road development in the Provinces. Both measures might be necessary, but they were two of the most unpopular forms of tax, and if they came they should come for the benefit of the finances of the country as a whole and not for a specific requirement such as roads.

While the Committee were unable to give their support at this juncture to the proposal of the Western India

Automobile Association they were in agreement with the general principle underlying the suggestion that the Provinces should have a greater share of the revenue derived from the taxation of motor transport in order to develop the potential revenue producing assets which they had in their unmade and neglected roads. Moreover, they would not object to a moderate policy of road development financed by borrowing in the present favourable condition of the money market.

As the Committee saw the position, with the advent of Provincial Autonomy, the Central Government would be compelled to hand over an appreciable portion of the Central Revenues to the Provinces in any case, and the Provincial Boards of Communications which had already been established in most Provinces, backed, as was probable, by a Central Authority responsible for all forms of communications, would see to it that the Central Government disgorged an appreciable, if not adequate, portion of the petrol tax in due course. Moreover, it was possible that when elected legislatures had to assume the responsibility for balancing the country's budgets, the salt tax and succession duties would not be so unpopular politically as they had been in the past and these sources might thus become more readily available to the Exchequer.

TAXATION OF MOTOR VEHICLES.

Power of Government to appropriate Fees for purposes of Provincial Expenditure.

Under Section 11(2) of the Indian Motor Vehicles Act, 1914, Government had power to make rules providing for fees payable in respect of and incidental to registration of motor vehicles, driving licenses and licenses to let or ply such vehicles for hire in public places. Doubts had been

raised regarding the power of Government to prescribe fees for the renewal of certificates of registration ; the High Court in "Sykes *vs.* Kelly" (35 Bom. L.R. p. 1027), held that Government had this power. Doubts were subsequently raised regarding the power of Government to appropriate the said fees for the purposes of provincial expenditure.

In order to remove these doubts and to make it clear that Government had and always had power to levy such fees, to increase the rates of such fees and to appropriate such fees as part of their general revenues for provincial expenditure, the Government of Bombay introduced a Bill in the Bombay Legislative Council on the 17th July 1935.

The Bill was passed by the Legislative Council on the 19th July 1935.

TAXATION OF MOTOR VEHICLES.

Proposed abolition of Tolls and of Wheel Taxes imposed by Local Bodies.

In December 1934 the Government of Bombay issued a press communiqué in which it was stated that in 1933 Government were compelled by the exigencies of their financial position to abandon their declared policy of abolishing tolls on provincial roads and were forced to reimpose some which had been abolished. This course of action was strongly recommended by the Reorganisation Committee, which was set up to assist Government in finding a way out of their financial troubles, but it was taken with considerable reluctance as it had long been realised that tolls were a hindrance to trade and a handicap on the development of fast moving traffic.

Government added that they had, for some time past, been considering alternative forms of taxation on motor vehicles to enable them to abolish their tolls throughout

the Presidency, or at the most to retain them only at places where works constructed by Government had resulted in a saving to the public, *e.g.*, on important new bridges, the construction of which had saved the public the cost of ferry charges. In their consideration of the question one fact had throughout been clear and that was that neither the provincial finances nor those of local bodies could dispense with the revenues that were derived from registration fees tolls, and wheel taxes. Recognising this fact, Government devised a schedule for the provincial taxation of motor vehicles, to be of universal application throughout the Presidency proper and calculated to bring in enough revenue to allow of the abolition of tolls of all kinds on provincial roads and of the removal of all local bodies' taxation of motor vehicles, including tolls.

The results of Government's examination of the question was embodied in a draft schedule for the taxation of motor vehicles. In drawing up the schedule, account was taken of the damage which different types of motor vehicles inflicted on the roads; for instance the schedule was based, mainly, on the unladen weight of vehicles. Rates were fixed which would, it was hoped, produce the revenue required. If no more than that was realised, then motorists would be saved, to some extent, the wastage involved in the toll system, namely the amounts which remained with toll collectors for their costs of collection and their profits. It was suggested that if the taxation yielded more than the money accruing from registration fees, provincial tolls, and the tolls and taxation of local bodies upon motor vehicles, the extra revenue should be devoted in equal proportions to road repairs, in addition to the grants made at the moment, and to the abolition of the tolls and wheel taxes imposed by local bodies on animals and vehicles other than motor vehicles.

In addressing the Government of Bombay in regard to the above proposals the Committee stated that they were of the opinion that the proposals provided for a definite advance in the basis of taxation and were to be welcomed on this score. It had been represented to the Committee, however, that large buses and heavy lorries, plying within municipal limits, would, under the proposals, be saddled with large and disproportionate increases in taxation without any compensating advantages, whilst both private cars and the lighter buses, plying in the mofussil, received the advantage of the abolition of tolls, and were taxed either less or on about the same scale (when taking into consideration average toll charges) as previously. On the other hand the fact should not be overlooked that the heavy buses and lorries plying within municipal limits had been taxed comparatively lightly hitherto.

While, therefore the Committee welcomed the abolition of tolls and the proposed new consolidated basis of taxation they suggested that reconsideration, in consultation with Association representing all the interested parties, might be given to the actual rates proposed in the draft schedule with a view to ensuring that the incidence of taxation was distributed over the different categories of vehicles without unduly penalising any particular section of those who would be affected by the changes contemplated.

While the principle of the Bill was generally accepted by the House, the Council threw out the motion on the second reading by 47 votes to 35.

In September 1935 the Government of Bombay published a fresh Bill to provide for the imposition of a tax on motor vehicles in the Bombay Presidency. In the statement of objects and reasons attached to the Bill it was mentioned

that in the Bill which was considered by the Legislative Council in the 1935 Budget session, provision was made for full consolidation of the taxation of motor vehicles levied by the Provincial Government and Local Bodies, and it was intended that the taxation to be levied should replace not only all taxation of motor vehicles but also the revenue from tolls on bullock carts on provincial roads. As a result of the discussion in the Legislative Council and at a meeting of representatives of various interests which was held in Poona on the 6th and 7th August, it appeared that the time was not yet ripe for the full consolidation of all taxation of motor vehicles and that public opinion did not favour rates of tax high enough to provide also for the abolition of tolls on bullock carts on provincial roads.

The new Bill provided for the levy of taxation sufficient to replace the revenue from all tolls on motor vehicles, on provincial roads and on local bodies' roads, and the net provincial revenue, after deducting the cost of administration realised under the Indian Motor Vehicles Act, 1914. Local Bodies would receive their existing average revenue from tolls on motor vehicles plus 10 per cent. Municipalities would still be able to levy wheel taxes on motor vehicles. A fresh provision was introduced in the Act by which taxis, buses, and goods lorries which were intended to be used solely within municipal or cantonment limits would be charged at two-thirds of the general rate of tax. And it was also provided in the Act that any surplus revenue, after providing for the replacement of the existing Government and Local Bodies' revenues, plus a ten per cent. addition to the latter, would be spent solely on roads.

After considerable discussion in Council the Bill, after amendment, was read a third time on the 15th November 1935.

The following is the schedule as finally passed :—

	Maximum annual rate of tax.
A. Motor Vehicles fitted solely with pneumatic tyres :—	Rs.
I. *Motorcycles and tricycles (including motor scooters and cycles with attachment for propelling the same by mechanical power) not exceeding 8 cwt. in weight, unladen—*	
(*a*) Cycles not exceeding 200 lbs. in weight, unladen ..	18
(*b*) Cycles exceeding 200 lbs. in weight, unladen ..	24
(*c*) Tricycles	24
(*d*) Cycles or tricycles used for drawing a trailer or sidecar, in addition to above rates	3
II. *Motor vehicles not exceeding 5 cwt. in weight, unladen adapted and used for invalids*	5
III. *Motor vehicles including tricycles used for the transport of haulage of goods or materials weighing more than 8 cwt. unladen—*	
(*a*) Vehicles not exceeding 15 cwt. in weight, unladen ..	180
(*b*) Vehicles exceeding 15 cwt. but not exceeding 30 cwt. in weight, unladen	300
(*c*) Vehicles exceeding 30 cwt. but not exceeding 50 cwt. in weight, unladen	400
(*d*) Vehicles exceeding 50 cwt. but not exceeding 70 cwt. in weight, unladen	450
(*e*) Vehicles exceeding 70 cwt. in weight, unladen ..	500
(*f*) Additional tax payable in respect of such vehicles used for drawing trailers—	
(1) for each trailer not exceeding one ton in weight, unladen	150
and	
(2) for each trailer exceeding one ton in weight, unladen	240

Provided that two or more vehicles shall not be chargeable under this clause in respect of the same trailer.

Provided further that the rates for motor vehicles registered for use solely within municipal and cantonment limits shall be two-thirds of the aforesaid rates.

IV. *Motor vehicles plying for hire and used for the transport of passengers*—	Rs.
(*a*) Vehicles licensed to carry in all not more than two persons (excluding the driver of the vehicle) ..	88

	Maximum annual rate of tax.
(*b*) Vehicles licensed to carry more than two persons (excluding the driver of the vehicle)—for every additional person which the vehicle is so licensed to carry	Rs. 16

Provided that the maximum annual rate of tax shall not exceed Rs. 500.

Provided further that the rates for motor vehicles registered for use solely within municipal and cantonment limits shall be two-thirds of the aforesaid rates.

V. *Motor vehicles other than those liable to tax under the foregoing provisions of the Schedule*—

(*a*) Vehicles not exceeding 15 cwt. in weight, unladen ..	40
(*b*) Vehicles exceeding 15 cwt. but not exceeding 30 cwt. in weight, unladen	60
(*c*) Vehicles exceeding 30 cwt. but not exceeding 45 cwt. in weight, unladen	80
(*d*) Vehicles exceeding 45 cwt. in weight, unladen ..	110
(*e*) Additional tax payable in respect of such vehicles used for drawing trailers—	
(1) for each trailer not exceeding one ton in weight, unladen	25
(2) for each trailer exceeding one ton in weight, unladen	50

Provided that two or more vehicles shall not be chargeable under this clause in respect of the same trailer.

B. Motor vehicles other than those fitted solely with pneumatic tyres.	.. The rates shown in class A plus 50 per centum.
C. Motor vehicles visiting the Presidency.	.. The rates prescribed in the rules.

D. Dealers in or Manufacturers of Motor Vehicles—

For a general licence—	Rs.
(1) in respect of any seven or less number of motor vehicles	300
(2) in respect of any additional seven or less number of motor vehicles	300

REGULATION OF MOTOR HORNS.

(*See Reports* 1926, *Vol. I, page* 167 ; 1928, *Vol. I, page* 260 ; 1929, *Vol. I, page* 109.)

In May 1935, the Committee informed the Chamber's representative on the Traffic Committee that they would be prepared to support any steps the Traffic Committee might take with the object of mitigating the nuisance caused by the excessive and improper use of horns by motorists in Bombay. The Committee also suggested that Queen's Road might be divided by white lines into five sections: the two outer ones being used by slow traffic, the two inner ones for faster traffic, while the centre section would be available for "overtaking" traffic, *i.e.*, the centre section would not be used unless a driver wished to overtake a slightly slower moving vehicle in front of him. The Committee felt that if their suggestion were adopted it would greatly assist in the freer movement, during the rush hours, of traffic southward in the morning and northward in the evening.

CINEMATOGRAPH (AMENDMENT) BILL.

Under the provisions of the Cinematograph Act, 1918, all films intended for public exhibition in British India are subject to censorship. The censorship is however confined to the film itself and does not extend to the advertising matte used in connection with the exhibition of the film which, in the opinion of the Government of India, is often more objectionable than the film advertised. In paragraph 249 of their Report, the Indian Cinematograph Committee recommended that action should be taken to bring posters used in connection with the exhibition of cinematograph films under control. The Government of India consider that the desirability of taking action in this matter has become more evident with the lapse of time and an examination of the question in consultation with Local Governments has made it clear that

steps shouldbe taken to amend the Cinematograph Act so as to provide for the censorship of all pictorial representations intended for use as advertising matter in connection with cinematograph films. A Bill was consequently introduced in the Council of State on the 11th February 1935 which was intended to provide for the amendment of the Act accordingly.

The Committee were addressed subsequently by certain members interested in the film industry who felt that the proposed legislation would be a hardship on distributors of foreign films and considered that the censorship already imposed in America and England was sufficient to prevent any indecent posters being distributed.

The Committee in reply informed the members that on general principles they were of opinion that a country like India, with its high percentage of illiteracy, and with all its racial and communal differences and difficulties, could not afford to take the risks involved by not having legislative machinery whereby the exposure of film posters could be controlled. The Committee considered that many of the posters exposed in Bombay had not been suitable advertising material for this country, and they were unable to agree with the suggestion that there was at the moment no need for censorship of posters, whereas there might have been up to a year previously. The Committee felt, moreover, that a question of this description could not be dealt with on a world basis. A poster which might be suitable for exhibition in Paris might be most unsuitable for exposure in Bombay, and, if it were agreed that there was justification for a film censorship, with the object of protecting the public from unsuitably suggestive pictures, it would seem that it was at least as important to censor the advertising material which was exposed free to every one on street hoardings, as it was to censor the films which were shown only to those who paid to see them.

It appeared from the members' letter that they were under the impression that the Bill under consideration was aimed

more at foreign imported advertising matter than at Indian manufactured posters, etc. If this were so, the Committee were prepared in this respect to offer the members their full support. It did not, however, appear to be the case. The original Act of 1918 constituted authorities to examine *all* films, whether imported from abroad or manufactured in this country. The Bill under consideration did not depart from that basis in extending the censorship from the films themselves to the pictorial matter which advertised them.

The Committee added that in their opinion the Bill was on a par with much other legislation of a social nature introduced in recent years with the object of improving labour conditions in other industries, in that it might entail additional cost and trouble to the industry concerned, but which had nevertheless in most cases not been opposed by the industries concerned on the ground that it had represented social measures likely to improve the well-being of the masses generally.

BOMBAY (DISTRICT) TOBACCO AMENDMENT BILL.

(*See Report* 1933, *page* 96.)

A Bill was introduced in the Bombay Legislative Council on the 22nd February 1935 which had for its object the amendment of the Bombay (District) Tobacco Act, II of 1933. The latter Act was to remain in force till 31st March 1935. The Bill which became Act II of 1933 was originally intended to be a permanent measure, but in deference to the wishes of some Members of the Council, Government agreed to limit its life to two years in the first instance. Two years' experience of the working of the Act had shown that there was no objection to placing the Act permanently on the statute book. During that period the prices of tobacco on the whole did not increase. Complaints against the provisions of the Act were limited to the method of assessment prescribed in the Act. Under the Act licence fees on retail sale were charged at a varying rate on a

population basis and a fixed fee of Rs. 2 was charged for hawkers. It appeared that this system was not satisfactory and the incidence of such method of taxation was not fair. After careful consideration Government were of opinion that in the case of retail sales and hawkers the method of taxation should be on the value of their yearly sales or turnover. This method had the approval of the Indian Taxation Enquiry Committee. The Bill was intended to carry out this object. It was also proposed that brokers in the tobacco trade should be required to have licences on a fixed annual fee. Under Section 26 of the Act Government alone had power to revise the orders of subordinate Tobacco Officers with the result that in every case application for revision had to be made to Government. This was inconvenient and it was proposed to amend section 26 to empower the Commissioner and the Collector to have the power of revising the orders of their subordinate Tobacco Officers.

The Committee considered the Bill in consultation with the members of the Chamber interested in the tobacco trade.

The main objections to the Bill fell under two heads, *viz*:—

(*a*) the method of assessing retailers, and

(*b*) the high rate of wholesale licence fees.

It was decided to leave the matter to be dealt with by the Chamber's representatives in the Council and later the following amendment of the Bill was moved by Mr. G. L. Winterbotham and, with the casting vote of the President, adopted by the Council:—

For Clause 10 of the Bill substitute the following:—

10. In the Schedule to the said Act for the entries relating to "Wholesale", "Retail" and "Hawker" the following entries shall be substituted, namely:—

Wholesale—Fixed Rate	Rs. 15
Retail or Hawker—	
(1) In any case where the aggregate price realised from sales in any year does not exceed Rs. 200 ..	Rs. 2

(2) In any other case		A fee calculated at the rate of Re. 1 per cent. on the aggregate price realised from sales in any year.
Broker		Rs. 2.

REVISION OF THE INDIAN ELECTRICITY RULES.

(*See Report* 1933, *page* 100.)

In May 1935 the Government of Bombay asked for the views of the Chamber on a draft of certain rules which it was proposed to make in supersession of the Indian Electricity Rules, 1922. In a covering letter addressed by the Government of India to all local Governments and Administrations it was stated that the revision of the rules arose out of the consideration by the Government of India of the deliberations of the Conference of Electric Inspectors in Delhi in December 1928, and the draft incorporated, in addition to other amendments, the provisional conclusions of the Government of India on a number of points discussed at that Conference. It was added that a few of the alterations suggested at the Conference had been previously embodied in the rules, and there were a number of others which raised questions on which the Government of India considered it necessary to consult local Governments and the interests concerned before issuing any notification.

The changes which appeared to the Government of India to be desirable at the moment proved to be so numerous as to render it convenient to review the rules generally. The opportunity had accordingly been taken to alter the arrangement of the Chapters, to re-arrange the rules in a number of cases, to revise their wording and to re-number them throughout.

The Government of India asked that any criticisms or opinions which the local Government might desire to offer should be confined to—

(*a*) the alterations which the Government of India had proposed to make in the existing rules,

(*b*) other alterations which these amendments appeared to render necessary, and

(*c*) suggestions for purely verbal or formal alterations elsewhere. It was requested that any substantial amendments, which the local Government regarded as necessary and which were not included in, and did not arise out of, the amendments suggested might be made the subject of a separate reference.

The draft rules were very carefully examined by the Industries (including Electricity) Sub-Committee of the Chamber whose report was adopted by the General Committee and forwarded to the Government of Bombay.

DUTY ON BRITISH COTTON PIECEGOODS.

(*See Report* 1934, *page* 135.)

As a result of the visit of the British Textile Mission to India in the autumn of 1933, an Agreement was concluded between the Millowners' Association, Bombay, and the Mission which was expressed in the following terms :—

"The parties wish to record their conviction that great benefit has been derived by all concerned from the full and frank exchange of views, the personal contacts which have been established and the greater understanding which both sides have secured of each other's position.

The parties are agreed that it would be in the best interests of the industries they represent to maintain and develop in the future the contacts which have been established and it is hoped that it will become the practice for views to be exchanged whenever circumstances render it desirable.

The following headings of agreement have been adopted on the assumption that the cotton duty is not increased above the present level of half an anna per pound.

(1) It was agreed that the Indian Cotton Textile Industry is entitled, for its progressive development, to a reasonable measure of protection against the imports of United Kingdom yarns and piece-goods. It was also agreed that under present conditions, owing to

lower costs and other factors operating in foreign countries, the Industry required a higher level of protection against them than against the United Kingdom

(2) As regards cotton piecegoods, it was agreed that if and when the revenue position of the Country made it possible for the Government of India to remove the general surcharge on all imports imposed in October, 1931, the Indian side would not make fresh proposals with regard to the duties applicable to the United Kingdom.

(3) In the matter of cotton yarns, the present duties are 6¼ per cent. *ad valorem* or 1⅞ annas per pound. The Indian side has agreed that so far as imports from the United Kingdom are concerned, the duty may be 5 per cent. *ad valorem* with a minimum specific duty of 1½ annas per pound.

(4) So far as artificial silk piecegoods are concerned, the Indian side agreed that in the case of the United Kingdom, the duties may be as follows:—

30 per cent. *ad valorem* or 2½ annas per square yard for hundred per cent. artificial silk fabrics; and

30 per cent. or 2 annas per square yard for mixture fabrics of cotton and artificial silk.

The present duties on these classes of goods are:—

50 per cent. *ad valorem* or 4 annas per square yard on hundred per cent. artificial silk fabrics; and

35 per cent. or 2 annas 3 pies per square yard for mixture fabrics of cotton and artificial silk.

(5) In so far as the Empire and other overseas markets for piecegoods and yarns are concerned, it is agreed that any advantages which might be arranged for British goods should be extended to Indian goods, and that India, in markets in which she has no independent quota, should participate in any quota which might be allocated to the United Kingdom. In respect of overseas markets in which Indian mills lack established connections, it is agreed that the Manchester Chamber of Commerce should use its good offices to bring about contacts between Indian manufacturers and British houses which are already established in those markets.

(6) In regard to raw cotton, the Indian side strongly emphasised the urgent necessity of further efforts being made in the United Kingdom to popularise and promote the use of the Indian raw material. They welcomed the undertaking that the British Textile Mission would be prepared to recommend effective action being taken and keep the Indian side regularly in touch with developments. It was further

agreed that other avenues of co-operation in this field should be explored in the interests of the Indian cotton grower.

"This understanding is limited in its duration to the period ending on 31st December 1935."

At the time when this Agreement was reached, the Government of India had under consideration the question of the import duties necessary to afford adequate protection to the Indian cotton textile industry, and in their view the scale of duties which had been accepted by an important and representative section of the Indian textile industry constituted a fair basis for the protective scheme in so far as it had application to imports from the United Kingdom. The duties set out in the Agreement were, therefore, with one slight modification in respect of cotton yarn of counts over 50's, given statutory force by the Indian Tariff (Textile Protection) Amendment Act which became law on the 1st May 1934.

In the course of the debate on the Bill the then Commerce Member, Sir Joseph Bhore, in moving that the Bill be referred to a Select Committee, stated on behalf of the Government that, though it was intended to afford the textile industry protection for a period of five years, the tariff rates on British goods would remain in force for two years in accordance with the terms of the Agreement between the Lancashire Delegation and the Millowners' Association, Bombay. On the expiry of the two years covered by the Agreement, the duties on British goods for the remaining period of protection would have to be decided on a review of the conditions then existing and in the light of such experience as might have been gained. As the period of the Agreement would expire on the 31st December 1935, it became necessary to introduce, in the course of the 1936 Budget Session, legislation to give effect to any changes in the duties which might be found necessary. The Government of India, therefore, decided in September 1935 that the

enquiry foreshadowed in Sir Joseph Bhore's speech should take place and that it should be entrusted to a Special Tariff Board constituted as follows :—

President.—Sir Alexander Murray, Kt., C.B.E.; *Members.*—Mr. Fazal Ibrahim Rahimtoola; Dewan Bahadur A. Ramaswamy Mudaliar.

The following were the terms of reference to the Board:—To recommend on a review of present conditions and in the light of the experience of the effectiveness of the existing duties, the level of the duties necessary to afford adequate protection to the Indian cotton textile industry against imports from the United Kingdom of (*a*) cotton piecegoods, (*b*) cotton yarn, (*c*) fabrics of artificial silk and (*d*) mixture fabrics of cotton and artificial silk. By adequate protection is meant duties which will equate the prices of imported goods to the fair selling prices for similar goods produced in India.

The Board were asked, in the course of this enquiry, to give a full opportunity to the cotton textile industry, whether in India or the United Kingdom, to present its case and, if necessary, to answer the cases presented by other interested parties.

The Board were not required to make any recommendations in respect of revenue duties.

In October 1935 the Special Tariff Board issued a questionnaire containing points on which they required detailed information. This questionnaire was referred to a Special Sub-Committee of the Chamber consisting of Messrs. A. L. Hutson, A. Sotiriadi and F. Stones, O.B.E., but as it was found that it would not be possible to put forward a statement representing the unanimous views of the members of the Chamber as a whole it was decided to put before the Board a representation which dealt with the question mainly from the importers' point of view. In a covering letter to the Special Tariff Board the Committee stated that the members of the Chamber who were concerned with the Indian cotton textile industry did not

subscribe to the memorandum. The Committee added, however, that the membership of the Chamber included many other interests of a more general nature, beyond those directly concerned in either the import or the manufacture of cotton and other textiles. All of these members were in one way or another vitally interested in the promotion of trade in general and most of them were particularly concerned with the fostering of trade between India and the United Kingdom.

On behalf of those members of the Committee who were not engaged in textile business, whether manufacture or import, the Committee stated that for the reasons indicated they were in sympathy with the point of view put forward in the memorandum. Their attitude was further influenced by the fact that the terms of reference to the Special Tariff Board seemed to make its enquiry largely a matter of fact finding, and the facts, as stated in the memorandum did appear to justify a reduction of import duties, if the equation of prices postulated in the last sentence of the terms of reference was to be achieved.

Messrs. A. L. Hutson, A. Sotiriadi and H. A. Henry appeared before the Special Tariff Board on the 21st December 1935 and were orally examined by the Board.

For purposes of record the memorandum submitted by the Sub-Committee is reprinted in the Appendices to this report.

INDO-BRITISH TRADE AGREEMENT.

The text of the Trade Agreement between His Majesty's Goverment in the United Kingdom and the Government of India which was signed on the 9th January 1935 was published in the local press on the 11th January 1935. In telegraphing to the European Group in the Central Legislature on the 28th January the Committee stated that they

considered the Indo-British Agreement represented a reasonable attempt to meet the interests of consumers by recognising the fact that a uniform rate of duty, while protective in one direction, might be entirely prohibitive in another. The principle of equating prices of imported goods to fair selling prices of similar goods produced in India appeared to be the only method of securing the interests alike of the consumer and of the local industry. In the opinion of the Committee the Agreement was a logical development of the policy of discriminating protection which India had adopted and should therefore be supported.

On the 29th January 1935 Sir Joseph Bhore, Member for Commerce and Railways, moved the following Resolution in the Assembly :—

"That the agreement between His Majesty's Government in the United Kingdom and the Government of India, signed on the 9th January 1935, be taken into consideration."

After considerable discussion the following amendment was adopted by the Assembly by a majority of 66 votes against 58.

"That this Assembly after duly considering the Agreement between His Majesty's Government in the United Kingdom and the Government of India, signed on the 9th January 1935, is of the opinion that inasmuch as the said Agreement is unfair to India, the Government of India should terminate it forthwith."

MIXED WOOLLEN FLANNEL.

(*See Report* 1933, *page* 123).

In November 1935 the Director General of Commercial Intelligence and Statistics asked for the views of the Chamber on the question of the minimum percentage of wool required in a fabric to justify the article being described as "mixed woollen flannel" or "mixed flannel", according to trade practice. The Director General also enquired if

the term "cotton flannel" was in use by the trade to describe flannel-like textiles made of pure cotton.

In reply the Committee in the first place drew attention to the Chamber's letter of August 1933 (See Report for that year page 123) in which it was stated that while in the opinion of the Committee it would be preferable for the term "flannel" to be used only for all wool goods, in practice it was not, and cloth with 30 to 40 per cent. of cotton would in the Indian trade, be termed "flannel" without any qualification. The Committee adhered to this opinion. in regard to the specific questions put by the Director General the Committee stated that they were of opinion (*a*) that the term "mixed woollens" should be applied to goods containing not less than 15 per cent. wool, and (*b*) that the term "flannel" should not be used for textiles made of pure cotton.

The Committee added that the term "flannelette" should be used to describe cotton goods.

PROPOSED PROTECTION TO THE INDIAN WOOLLEN INDUSTRY.

(*See Report* 1934, *pages* 133 *and* 296).

In January 1935 the Tariff Board issued a general questionnaire which was intended primarily for importing houses and piecegoods merchants. Replies were drawn up to the questionnaire by the same special Sub-Committee that originally reported on the question of protection to the Indian Woollen Mill Industry (See Report for 1934) and the replies were forwarded to the Tariff Board as representing the views of importing interests of the Chamber.

For purposes of record the questionnaire and the Sub-Committee's replies are printed in full in the Appendices.

HEALDS, REEDS AND CARBON BRUSHES.

Proposed Protection.

During the year 1934 the Tariff Board conducted an enquiry into an application for removal of the tariff inequality in respect of the manufacture of (*a*) Carbon Brushes and (*b*) Healds and Reeds. The Reports of the Tariff Board was published for general information on the 23rd March 1935.

In a resolution No. 38-T (10) issued on the same date the Department of Commerce stated that the Government of India agreed with the Tariff Boards' finding that a tariff inequality existed in respect of carbon blocks imported for the manufacture of carbon brushes on India and accepted its recommendation that this should be removed by reducing the duty on carbon blocks such as were ordinarily used for the manufacture of carbon brushes for electrical motors and generators from 25 per cent. to 15 per cent. *ad valorem*. They considered it unnecessary to undertake legislation specially for this purpose and proposed therefore to effect a reduction of duty by Notification under Section 23 of the Sea Customs Act. Before issuing the Notification, however, the Government of India considered it desirable to give the Indian Legislature an opportunity to discuss the subject and they decided accordingly to place a Resolution before both Houses proposing that the recommendation of the Tariff Board in respect of the manufacture of carbon brushes be accepted at the first available opportunity.

In respect of healds, the Government of India were not convinced that any tariff inequality existed. The calculations of the Tariff Board are based on the assumption that imported yarn was used for the manufacture of healds, but from the evidence led by two of the applicant companies it appeared that suitable yarn could be supplied by Indian

mills, on which, though it was manufactured from imported cotton, the incidence of duty charged was considerably lower than that on imported yarn. The representations of the firms interested in the manufacture of healds appeared to the Government of India to be directed not so much towards the removal of a tariff inequality as to secure a measure of substantive protection. The claim of the industry to the grant of substantive protection was not an issue which came under the consideration of the Tariff Board, and the Government of India were unable to offer any opinion as to whether such a claim had been established. On the evidence before them, however, they found it impossible to accept the Tariff Board's recommendation that the duty on healds should be raised from 10 per cent. to 15 per cent. *ad valorem.*

Similarly in the case of reeds, the Government of India were of opinion that the representations of the concerned industries constituted a claim for substantive protection, and failing the establishment of the validity of such claim after the usual enquiry by the Tariff Board, the Government of India were unable to accept the recommendation for an increase in the customs duty on imported reeds.

EVASION OF SPECIFIC DUTY LEVIABLE ON IMPORTED HOSIERY.

(*See Report* 1934, *page* 151).

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 16th and 17th December 1935, the following resolution moved by the Upper India Chamber and amended by the Bombay Chamber was passed unanimously :—

"This Association records its view that the levy of a specific duty of 12 annas per lb on cotton hosiery under items 51 (2) and 51 (3)

of the tariff schedule has failed to serve the intended protective purpose because there is no alternative of a specific duty on non-British "knitted apparel" and "hosiery not otherwise specified" under item 52, and urges that in the interests of both the Indian industry and British trade the specific duty of 12 annas per lb. or 35 per cent., whichever is higher, should be levied on all knitted cotton goods of non-British origin by suitable action under Section 4(1) of the Indian Tariff Act, XXXII of 1934."

IMPORTS OF FENTS INTO INDIA.

In May 1935 the Committee drew the attention of the Collector of Customs, Bombay, to the serious effect upon trade in Bombay, in both imported and locally manufactured goods, of the remarkable increase in the shipment of Japanese fents through the port of Bombay. From the statistical figures it appeared that the imports of fents from Japan had increased fifteen fold during the previous two years in spite of the decrease in the maximum permitted length of fents from 9 yards to 4 yards. Fents appeared to comprise some 20 per cent. of the total trade in Japanese piecegoods and in some months the figure had been as high as 25 per cent. As such a high percentage of damaged goods was unheard of in modern industrial processes, these figures in themselves made the nature of the goods imported as fents subject to the gravest suspicion. The Committee pointed out that it was only necessary however to make the most cursory examination of the Bombay bazaars to realise that the majority of the goods imported from Japan as fents did not correspond to the definition given by the Central Board of Revenue namely "Job lots, of varying lengths and sizes, not exceeding 4 yards, rejected by the mills on account of their defective weaving or dying or other substantial damage, bundled (as distinct from the packing adopted for piecegoods)

and invoiced by weight", but were perfect goods cut into 4 yard lengths for the purpose of defrauding the Customs. In quoting the above definition in the Legislative Assembly, after the introduction of the Textile Tariff Amendment Bill, Sir Joseph Bhore had added: "There is, therefore no reasonable scope for any evasion of customs duties." He went on:—

The point really, Sir, is this, that the mere fact that a fent or a piece of cloth comes in, which is 4 yards in length, that fact by itself does not bring it under the definition of fents. Collectors of Customs have been given full instructions to see that despite the fact that a piece of cloth may be 4 yards in length, if it does not come under the description which I have just read out, they should treat it as ordinary piecegoods which will be included in the quota which has been allotted or Japanese piecegoods."

The Committee pointed out that as more than half the fents imported were of artificial silk or artificial silk mixtures, on which the specific duty might be equivalent to as much as 180 per cent. *ad valorem* if the goods are assessed as piece-goods, it was clear that both the disturbance to legitimate trade, and the loss to Government revenues, were of the most serious character.

The Committee furthermore drew attention to the fact that, according to the latest official figures then available, nearly 90 per cent. of the total import of Japanese fents into India was passing through the port of Bombay. It was realised that Bombay had normally afforded the largest market for fents, but such a percentage as this seemed to indicate that the Customs authorities in other ports were interpreting the definition of fents in a very much stricter manner than the Bombay Customs.

The Committee added that they had received suggestions from various quarters that the existing definition of fents should be amended so as to ensure that goods entering the

country as fents should conform to the standard accepted in ordinary commercial usage. Before making representations on the point to the Central Board of Revenue, they asked the Collector for his considered opinion as to whether it was not possible to remedy the existing dangerous state of affairs without resorting to any alteration in the definition, or reduction in the maximum permitted length, of fents.

After personal discussion with the Collector of Customs, the Committee in June 1935 addressed the Government of India on the lines of their letter to the Collector and added that they felt that the real solution of the problem would be the entire elimination of fents from the Tariff and they strongly recommended this course to the Government of India. The Committee urged that if this was not considered practicable in view of the Indo-Japanese Trade Agreement, then artificial silk fents should be excluded from the Tariff by the insertion of the word "cotton" before the word "fents" in item 49(1) of the Tariff. This alteration in the tariff would prevent the importation of artificial silk and artificial silk mixtures, as well as woollens and silks, except as perfect goods under the general tariff. The Committee understood that the trade in woollen and silk fents was negligible and so no great hardship would be caused by their elimination.

While hoping that the above alternative suggestion would prove effective if the total exclusion of fents was impracticable the Committee considered that the position with regard to cotton fents might still require reconsideration at a later date in the light of subsequent developments. It was understood that at the moment Japanese cotton fents formed only a small part of the total of Japanese fents and were genuine fents.

The Committee expressed a hope that this question would receive the very early consideration of the Government of India and that prompt action would be taken on the lines suggested by them.

The Committee took the opportunity of discussing the matter with the Hon'ble Mr. T. A. Stewart, Secretary to the Government of India, Department of Commerce, when he visited the Chamber on the 3rd July 1935 and he promised to go into the question on his return to Simla.

At the time of writing this report the matter was still under the consideration of the Government of India.

JAPANESE COMPETITION WITH INDIGENOUS PAINT MANUFACTURES.

In February 1935 a member forwarded to the Committee a copy of a representation they had made to the Government of India appealing for further protection for the indigenous paint industry against Japanese competition. From enquiries made by the Committee it appeared that the specific duties imposed by Act No. 1 of 1934 had proved ineffective and the Committee accordingly informed the Government of India that in their opinion, the case for additional protection for paint manufactures in India against Japanese importations merited consideration.

The Committee were subsequently unofficially informed that it was not the intention of Government to grant further assistance which they were said to consider was not justified by the existing conditions.

This attitude was so far from according with the information given to the Committee that the latter again addressed the Government of India and pointed out that they had received fresh evidence of the severity of the uneconomic

competition from Japan, and were reinforced in the view that the position warranted immediate action by Government to make effective, as it was clearly not at the moment, the protection intended to be afforded by the specific duties imposed by Act No. 1 of 1934.

The Committee were subsequently given to understand that Government did not intend to take any action under the Safeguarding of Industries Act, and that therefore the only course open to the aggrieved parties would be to submit to Government an application for an enquiry by the Tariff Board. The procedure then adopted by Government would be to hold a departmental enquiry into the application of the industry to establish that there was a prima facie case for an enquiry by the Tariff Board. Industries which had established a prima facie case for an enquiry were placed upon a list and Government decided upon the order in which the cases should be submitted to the Tariff Board.

INDIAN SILK INDUSTRY.

PROPOSED PROTECTION.

(*See Report* 1932, *page* 128).

In February 1935 the President of the Associated Chambers of Commerce of India invited the attention of the Chamber to a letter received from the Madras Chamber of Commerce in which the latter stated that they had been requested by the Mysore Chamber to support certain representations that had been made to the Central Government on the question of Protection to the Indian Silk Industry. It was asserted that the Indian Silk Industry had been very severely hit by the price of imported Japanese silk and that stocks of raw silk in Kashmir were reported to be equal to two years' consumption in India. It was also

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reported that on this account there was very considerable hardship in Kashmir and that stocks of silk were being liquidated at well below cost.

As no member of the Chamber was particularly interested in the question the Committee at that time took no action.

In April 1935 the Mysore Chamber forwarded to this Chamber a copy of a note on the inadequacy of protection to the Indian Silk Industry, prepared by the Mysore Silk Association, Bangalore City, and suggested that this Chamber might address the Government of India in support of the silk industry's claim for further protection.

After consulting the Import Sub-Committee the Committee informed the Mysore Chamber that they were of opinion that the proposal to increase the duties on imported silk piecegoods and yarns should not only go unsupported but should be opposed as strongly as possible. The Committee considered that the duty already levied on these articles was grossly excessive and in their opinion afforded an excellent example in support of the statement made by the Finance Member in his budget speech that the British Indian tariff was too high and was a restraint on trade. In particular the Committee considered that the proposal to raise the duty levied on silk yarn, a partly manufactured article, to over 100 per cent. stood self condemned.

A copy of this Chamber's reply was forwarded to the Associated Chambers of Commerce of India and the Madras Chamber for their information.

TARIFF INEQUALITY BETWEEN SHUTTLES AND THE WOODEN BLOCKS REQUIRED FOR THEIR MANUFACTURE IN INDIA.

In September 1934 the Government of India referred to the Tariff Board the question of the desirability of the

removal of the tariff inequality between imported shuttles and wooden blocks required for their manufacture in India.

The Report of the Tariff Board was published on the 21st September 1935. The Tariff Board found that the claim had not been substantiated. The Government of India accepted this finding.

SHIPMENTS OF WHEAT AND BARLEY TO THE UNITED KINGDOM.

(*See Reports* 1933, *page* 118 ; 1934, *page* 155).

In December 1935 the Director General of Commercial Intelligence and Statistics informed the Chamber that it was understood that the Customs authorities in the United Kingdom had agreed to accept certificates of origin for wheat and barley imported into the United Kingdom from British India completed in the same manner as for linseed viz. showing the wheat or barley as grown by "various growers in.....district," in cases where the names of the growers could not be given.

PREFERENTIAL DUTY ON CITRONELLA OIL FROM CEYLON.

In May 1935 the Committee addressed the Collector of Customs, Bombay, in regard to a ruling given by him in connection with the duty levied on a consignment of citronella oil that had been shipped from Ceylon to the United Kingdom and after being bottled there, was consigned to British India. From the ruling it appeared that because the goods in question were not consigned direct from Ceylon they were not entitled to the preferential rate of duty allowed on citronella oil so consigned. The Collector's ruling was apparently based on

Rules 4 (1) and 4A of the Ottawa Trade Agreement Rules, 1932, as amended.

The Committee pointed out that the principle involved was of considerable importance to the mercantile community as affecting the trade not only in citronella oil but in all articles of merchandise shipped to British India from a British Colony *via* the United Kingdom and *vice versa*. The Committee felt confident that it was never intended, when the Rules were framed, that entrepôt trade between the British Colonies and the United Kingdom in articles entitled to preferential rates of duty should be penalised. In support of this view they referred the Collector to a letter addressed by the Department of Commerce of the Government of India on 10th April 1933 (No. 20-T (14)-33) to the Bengal Chamber of Commerce, and to an extract therein mentioned from the Central Board of Revenue Instruction, dated the 23rd December 1932, to Collectors of Customs.

The Committee stated that they did not suggest that the Collector's ruling in this matter did not conform with a strict reading of the Rules on which it was based. They contended, however, that such reading offended in this case not only against common sense, but also against the manifest intention of the Government of India.

The Committee therefore asked :—

(*a*) whether the Collector did not consider that the above quoted instructions from the Central Board of Revenue already gave him discretion to deal with such a claim on its merits, irrespective of technical disability ;

(*b*) if not, whether he was prepared to invite, or would approve of this Chamber inviting the Central Board of Revenue more specifically to authorise Collectors of Customs to use their discretion in the sense indicated.

It appeared to the Committee that the only other alternative for removal of what was to them a patent anomaly would be to move Government to provide for the insertion of citronella oil among the articles covered by the Third Schedule to the Ottawa Trade Agreement Rules—as was done in 1933 with rum and angostura bitters. Such a solution would, however, afford no relief in the present instance. It would, moreover, leave importers under the necessity of again moving for the same cumbrous procedure in the event of any other article being shipped to India in similar circumstances by indirect route.

The Collector of Customs in reply stated that in his view the Instructions of the Central Board of Revenue to which reference is made above gave no discretion to the Customs Collector, except in the matter of deciding whether or not the consignment was in fact "direct". This, he stated, was a question which could usually be decided merely by a consideration of the goods itinerary, but in certain cases the actual route might be indirect (owing to the lack of direct shipping communication, and consequent transhipment, etc.) though the despatch of the goods might be as direct as transport facilities allowed. In the latter case, for the purpose of the Ottawa Trade Agreement Rules, the consignment might on production of certain evidence be held to be "direct."

In regard to entrepôt trade, the Collector believed that it had consistently been held that this was outside the scope of the Rules. Goods did not carry with them into the general international trade any title to preference: the preference was accorded only to the *trade* passing directly between any two of the countries concerned. It was stated that instances were not uncommon where purely United Kingdom products

were denied the preference—*e. g.*, a British motor car imported from Aden.

The Collector did not think that the Custom House could rightly be given any discretion as regards the giving or withholding of preference—apart from the duty of adjudicating on the facts upon which, under the rules, the preference depended.

In forwarding to the Central Board of Revenue copies of the correspondence that had passed between the Collector of Customs and the Chamber the Committee stated that while they admitted that the Collector's ruling might be in conformity with the strict reading of the Ottawa Trade Agreement Rules, they felt that it was against the manifest intention of the Government of India as indicated by them in their letter to the Bengal Chamber mentioned above. It seemed therefore that one or other of the following alternatives was open to the Central Board of Revenue :—

(*a*) That if the Instructions given to Collectors of Customs did not allow them discretion to deal, on their merits, with claims such as the one under consideration, irrespective of seeming technical disability, such discretion should be allowed to them; or

(*b*) That the Government of India should be approached with a view to the removal of what the Committee considered to be a patent anomaly by the insertion of citronella oil among the articles covered by the Third Schedule to the Ottawa Trade Agreement Rules, as was done in 1933 with rum and angostura bitters. The former would appear to be the more practical solution as otherwise importers would be under the necessity of moving the Government of India on each occasion an article was

shipped to India by indirect route in circumstances similar to the one under discussion.

The Committee expressed a hope that the Central Board of Revenue would give the matter their earnest consideration and see their way to adopt one or the other of the above alternatives.

The Central Board of Revenue in replying to the Chamber stated that it did not at the moment see sufficient reason for recommending to the Government of India that the Third Schedule of the Ottawa Trade Agreement Rules be amended in order to admit citronella oil to the preferential rate of duty. The Board added that it considered that requests for additions to the Schedule should ordinarily come from official sources.

IMPORTS OF COIR YARN INTO SPAIN AND ITALY.

(*See Report* 1934, *page* 162).

It was mentioned in the Report for 1924 that the Associated Chambers of Commerce of India had suggested to the Government of India that representations be made to the Government of Spain for the removal of the prohibition of the importation of coir yarn into Almeria, Spain, and to the Government of Italy for the re-classification of coir yarn as a raw product by the Italian Customs authorities.

The Government of India in reply informed the Associated Chambers that in their opinion no useful purpose was likely to be served by making any representations to the Governments concerned. As regards Spain, so far as the Government of India were aware, the importation of coir fibre into that country was prohibited with a view to afford protection to the native Esparto industry and it therefore

seemed doubtful if a representation to the Spanish Government for the withdrawal of the embargo would meet with any success.

With regard to the classification of coir yarn in Italy, the Government of India observed that the rate of duty applicable to coir twine imported into that country was considerably less than that applicable to twine of other unspecified vegetable fibres. This special tariff treatment accorded to coir twine was evidently due to the fact that although strictly speaking it was a semi-manufactured product, for all practical purposes it was the indispensable raw material for the manufacture of coir carpets, mats, etc. The Government of India, however, found it difficult to make a representation to the Italian Government that coir yarn like raw coir should be admitted free into Italy, in view of the fact that in their own tariff they had a single head for coir fibre, coir yarn and coir mats and mattings, all of which were assessed to duty at the uniform rate of 30 per cent. *ad valorem*. In the circumstances, the Government of India did not think that a representation was likely to prove effective.

CUSTOMS DUTY ON PARCELS SENT BY AIR MAIL.

Complaints having been received by the Chamber in regard to the inconvenience caused by the opening and assessing at Karachi of air mail parcels destined for Bombay, the Committee enquired of the Collector of Customs in January 1935 as to whether there were any practical objections from the Customs point of view to the assessment of such parcels to Customs duty in Bombay.

The Collector of Customs in reply informed the Committee that there appeared to be no practical objection from the

Customs point of view to the assessment in Bombay of air mail destined for Bombay, but that it would involve prior sorting of the Indian air mail, according to destination, and the making up of bags and documents separately for Bombay. As the Committee understood that this was already under the consideration of the Postal Department they addressed the Postmaster-General, Bombay, and expressed a hope that the final decision of the Department would be favourable.

In replying to the above-mentioned letter the Postmaster-General explained that under the existing arrangements, parcels received for Bombay through the Eastbound Imperial Airways at Karachi on Thursdays and Sundays were assessed by the Karachi Customs with the aid of the customs declarations and despatched direct to Bombay on the same day. Such parcels as could not be assessed by the Karachi Customs for want of certain particulars, were sent to Bombay unassessed and were assessed by the local customs. These parcels reached Bombay in the ordinary course at about 9-0 a.m. on Sundays and Wednesdays. Those assessed to duty at Karachi were delivered on Mondays (Sunday being a holiday) and Wednesdays respectively. The delivery of the parcels to be assessed in Bombay was made about a day later.

The Postmaster-General added that out of 291 air parcels for Bombay received at Karachi between the 1st March and the 31st May 1935, 278 were assessed to duty at Karachi and despatched thence on the date of their receipt and only 13 parcels were forwarded to Bombay for local assessment. In these circumstances, the Postmaster-General felt that the existing arrangements were in the best interests of the public and need not be disturbed.

IMPORTS OF PETROLEUM VIA PORT OKHA.

(*See Report* 1934, *page* 158).

In the Chamber's Report for 1934 it was mentioned that the Committee had protested to the Government of Bombay against the proposal to permit the importation of petroleum into British India *via* Port Okha.

In February 1935 the Chamber was informed that the Government of India had on reconsideration withdrawn the permission granted to the Baroda Government in 1931 for the importation into British India of petroleum landed at Port Okha.

IMPORTS INTO CUTCH.

(*See Report* 1934, *page* 150).

In January 1935 the Committee drew the attention of the Government of India to a press report in which it was stated that there was a large increase in the imports of Japanese cotton goods, rayon textiles, cement, glassware and china into Cutch ports from whence the goods were distributed by camel caravans into the interior. The report added that the British authorities were attempting to suppress the trade but they had been unsuccessful. The Committee asked the Government of India to furnish them with the latest information in regard to the Japanese imports into Cutch.

The Government of India in reply stated that they did not receive statistics of imports into Cutch and were unable to furnish the information required and added that they did not regard the report referred to above as an authoritative statement.

In forwarding to the Central Board of Revenue, for information, copies of the above correspondence the Committee stated that they were glad to learn that additional funds amounting to over Rs. 1 lakh had been allocated early this year by the Standing Finance Committee of the Legislative Assembly to strengthen the frontier lines around Cutch. The Committee recognised that they could not be made free of all the Government of India's confidential information, but they felt that they were entitled to ask whether Government considered that the steps they were rightly taking in support of the Indo-Japanese agreement and in the defence of trade, were proving effective. The Committee suggested that if the Government of India did not receive statistics of imports into Cutch, they might endeavour to make arrangements to obtain them in future. The Committee felt that Cutch could not raise any reasonable objection to furnishing such figures if requested by the Government of India.

PORT OF SRI WARDHAN.

In February 1935 it was brought to the notice of the Chamber that a steamer from Java was discharging at the Port of Sri Wardhan in Janjira State 3,000 tons of sugar for account of a local dealer. It was represented to the Chamber that this action was likely to cause considerable disturbance to the trade in sugar on this coast of India. The Committee immediately enquired of the Collector of Customs whether he was able to confirm the accuracy of the report and if so, whether he proposed to take any action in the matter.

The Collector in reply stated that he had been informed that a consignment of about 30,000 bags of sugar had arrived at Sri Wardhan from Java and had been landed there and that this information had been communicated to the Govern-

ment of India. The Collector added that according to an agreement concluded in 1884, the Nawab of Janjira was bound to adopt the British Indian Tariff and it was presumed therefore that full duty would be recovered on the sugar at Sri Wardhan. The Collector understood further that the State had recovered port dues in respect of the steamer at the rate in force in British India.

The Collector informed the Chamber at a later date that on examination of the records of the Sri Wardhan port it had been found that full duty had been recovered by the State on the sugar imported at that port.

LIST OF ARTICLES SPECIFIED IN THE SEA-BORNE TRADE AND NAVIGATION RETURNS OF BRITISH INDIA.

In May 1935 the Director-General of Commercial Intelligence and Statistics forwarded to the Chamber a statement showing the changes in the list of articles specified in the sea-borne import returns of British India introduced with affect from April 1935.

The Committee drew the attention of the Director-General to the fact that sodium hydrosulphite was not classified separately in the returns although he had intimated to a member in October 1934 that the suggestion would be considered at the time of the annual revision. The Committee asked the Director-General to take the question into consideration at the time of the next annual revision and also suggested that the imports of "Fents" should be sub-divided according to the ports of arrival.

The Director-General in reply stated that the suggested separate classification of sodium hydrosulphite had been

duly considered at the last revision of the list of articles but could not be adopted as preference had to be given to more important items requiring specification.

The Committee were unable fully to appreciate the Director-General's reason for the non-specification of the article as there had been a considerable increase in the imports during the past five years and in informing the Director-General to this effect they pointed out that the increasing importance of the commodity had already been recognised by his Department as a separate valuation was inserted in the Indian Customs Tariff in January 1934. Intimation was subsequently received that the suggestion would be further considered at the time of the next revision.

IMPORT DUTY ON COLOUR CARDS.

In November 1935 a member drew the attention of the Committee to the following ruling of the Collector of Customs, Bombay, in regard to the levy of duty on advertising material, and in particular to that portion which dealt with "pattern cards".

1. Advertising material described as "pattern cards" or "shade cards" and intended for free distribution to illustrate available patterns or shades of materials like yarn, enamels, dyes, etc., of a particular manufacturer are correctly classifiable as "advertising circulars" under item 45 of the Indian Customs Tariff (11th issue) and should be assessed under that head.

2. If however such cards are bound up in books, with instruction as to the method of preparation or treatment, etc., then the book should be passed free as "Printed Books", under item 45(1) of the Indian Customs Tariff (11th issue).

3. Albums and booklets containing "Stuck-in" samples of X'mas cards, labels, writing paper, etc., are of the nature of catalogues and are therefore, assessable as "Advertising circulars" under item 45 of the Indian Customs Tariff (11th issue).

4. *Bona fide* cut piece samples of piecegoods—generally imported made up in booklets—are governed by the orders on "samples" contained in paragraph 1(*a*) at page 4 of the Indian Customs Tariff Guide (Departmental Supplement) 1931 edition. They should be passed free if imported in reasonable quantities and are intended for inspection only.

In addressing the Central Board of Revenue in the matter the Committee stated that while they agreed that the ruling might be correct according to the strict interpretation of the Act they felt that it was unreasonable that duty should be levied on advertising material which had no selling value. To illustrate this point the Committee forwarded a colour card which had, and could have, no selling value and yet duty had been levied on it at 20 per cent. *ad valorem*. There seemed to the Committee to be no logical justification for duty being levied on small samples of thread merely because they were made up on a folded card as opposed to loose samples on which no duty was levied.

The Committee expressed a hope that the Central Board of Revenue would move the Government of India to mend the Act in order that pattern cards of the nature of that forwarded and other advertising material of no selling value might be admitted duty free.

DUTY ON BEER.

In December 1934 the Associated Chambers of Commerce of India forwarded to this Chamber a copy of a letter that had been addressed by the Upper India Chamber to the Government of India drawing attention to the dumping into India of a cheap Japanese beer at an uneconomic cost and suggesting that the import duty should be increased by at least 8 annas per gallon. This Chamber was asked whether

or not it was agreeable that the Government of India should be addressed by the Associated Chambers in support of the Upper India Chamber's representation.

After consulting members interested the Committee informed the Associated Chambers that they were in favour of the Government of India being addressed, and that in the opinion of a member of the Chamber there could be no doubt that the measures adopted by Japanese shippers and the apparent assistance afforded them by the Japanese Government, pointed definitely to the dumping of cheap beer in this country at an uneconomic cost. They contended further that this dumping was a very definite menace to the Indian brewing industry.

In March 1935, intimation was received from the Associated Chambers to the effect that the Government of India had been addressed by the Association in support of the Upper India Chamber's representation urging that the existing import duty on Japanese beer should be increased by at least 8 annas per gallon. The Associated Chambers suggested that it would be in the best interests of everybody concerned that the request of the Indian brewing industry for protection to be extended to it against the incursions into this country of imports of Japanese beer at an uneconomic cost, should be referred for investigation to the Indian Tariff Board with a view to deciding the extent of the protection, if any, which was required to protect the Indian brewing industry against the unfair competition it was facing from the importations into India of Japanese beers at an uneconomic cost.

The Government of India in replying to the above representation stated that no application for the grant of substantive protection had been received from any firm or

person interested in the Indian brewing industry. The Government of India drew attention to paragraph 3 of the Commerce Department Resolution No. 3748, dated 10th July 1923 which read as follows :—

"The Government of India will select the industries to be taken up for investigation and determine the order of the enquiry and it will be the duty of the Tariff Board, after such examination as it thinks necessary, to make recommendations regarding the protection (if any) to be extended to those industries and the nature and extent of the protection. Firms or persons desiring that the industries in which they are interested should be investigated by the Tariff Board should apply to the Secretary to the Government of India in the Commerce Department. With their applications they should send up a full statement of the reasons why they consider that protection should be extended to the Industry."

As it appeared from the Government of India's reply that investigations into the claims of any particular industry for protection would be undertaken by the Tariff Board only at the request of firms or persons directly concerned in that industry the President of the Associated Chambers suggested that the position should be brought to the notice of the brewing interests by the individual Chambers.

All members of this Chamber interested were informed accordingly.

DUTY ON SALT.

In November 1935 a member enquired whether the Committee would take up with the Salt Revenue Department the question of a revision of the rules relating to the refund of duty levied on consignments of salt lost from craft or steamers whilst being loaded or in transit.

The Committee in reply pointed out that the rules in force, for the issue of duty free salt in lieu of lost quantity,

clearly laid down that claims for compensation after the salt had passed a preventive station could not be entertained, and with this ruling the Committee were in entire agreement. The Committee felt that to allow such losses to be replaced by duty free salt as was permitted in the case of losses between the salt work and the preventive station would leave the door open to chicanery. In replying to a further reference from the member the Committee drew attention to the fact that the replacement of duty free salt for losses between the salt work and the preventive station was a concession as under the Act the duty was intended to be levied on salt manufactured or imported. The Committee considered it would be inequitable to expect the Government of India to amend the rule so as to extend the concession to goods lost or damaged in the harbour after the consignment had passed the preventive station.

IMPORT DUTY ON WHEAT AND RICE.

A Bill was introduced in the Legislative Assembly on the 13th March 1935 to amend the Indian Tariff Act, 1934. In the statement of objects and reasons appended to the Bill it was mentioned that since the passing of the Wheat Import Duty (Extending) Act, 1934, the Government of India had continued to watch the situation in India and in other world markets. Indian wheat was still out of parity with world prices and there were still in existence considerable stocks which constituted a possible menace to the Indian wheat grower. At the same time the situation had exhibited marked signs of improvements and the Government of India were of opinion that it was possible to reduce the import duty from Rs. 2 to Rs. 1-8 per cwt. It was also proposed to restore the former equality in the levels of the duties on wheat and wheat flour.

It was also mentioned that for some time past the imports of foreign rice into India, especially into the Madras Presidency, had been the cause of some alarm to the Indian rice producer. In the last year particularly these imports had reached very considerable proportions and detailed investigations had shown that broken rice, which constituted the major portion of those imports from abroad, was a very serious competitor with certain of the better grades of rice produced in Madras. The Government of India were, therefore, of opinion that in the interests of the Indian rice grower an import duty at the rate of 12 annas per maund should be imposed on imports of broken rice of foreign origin.

It was pointed out that the Wheat Import Duty Act was repealed when the consolidating Indian Tariff Act was passed in September 1934 and that the duties, which it was proposed to continue, were an integral part of the schedule to that Act. The legislation necessary to continue the operation of the wheat and wheat flour duties therefore took the form of an amendment to the Indian Tariff Act and not as on former occasions of a special Bill extending the life of the Wheat Import Duty Act.

The Committee informed the European Group in the Central Legislature that they welcomed the proposed reduction of import duty on wheat and also of that on wheat flour as a first instalment of the abolition of the surcharge. The Committee did not express any views regarding the proposed duty on foreign broken rice.

The Bill was passed by both Houses of the Legislature and was brought into force from 13th April 1935. (Act No. II of 1935.)

DUTY ON IMPORTED IRON AND STEEL.

(*See Report* 1934, *page* 124).

In January 1935 the Committee drew the attention of the Government of India to a further case similar to those previously brought to notice in 1934 (see Report for 1934, page 130), *viz.*, Iron or Steel Sheets, not fabricated and not galvanised—new item No. 63 (20) of the Indian Customs Tariff (Eleventh Issue.) It was observed that an alternative *ad valorem* duty had been provided for sheets of British manufacture and no *ad valorem* duty for sheets of non-British manufacture. In the case of stainless steel sheets at say Re. 1-8 per lb. or Rs. 3,360 per ton, the duty on British material would be Rs. 336 per ton and that on non-British material would be a flat rate of 1⅓ times the excise duty leviable on steel ingots produced in British India *plus* Rs. 32 per ton, which equalled Rs. 37½ per ton only. The Committee understood that the above was an average price, and many stainless sheets were sold in this country in the neighbourhood of Re. 1-12 per lb. or Rs. 3,920 per ton. Nickel steel sheets were purchased by Army Headquarters at a cost of roughly Rs. 760 per ton and the duty payable on British material would therefore be Rs. 76 per ton against Rs. 37½ per ton on non-British material. It appeared to the Committee that duty on this item had been framed to meet the case of mild steel sheets and that as the duty was intended to be protective there should be provided an alternative *ad valorem* duty on sheets of non-British manufacture as well as on sheets of British manufacture.

The Committee expressed a hope that prompt steps would be taken to remove the disability which was being suffered or was likely to be suffered by British importers of material assessed under the various items in the Tariff

Schedule to which attention had been drawn. The Committee were of the opinion that this matter had acquired added urgency through the conclusion of the Indo-British trade agreement, article 6 of which provided that the privilege of duty-free entry of Indian pig iron into the United Kingdom would be continued so long as the duties applicable to articles of iron or steel imported into India were not less favourable to the United Kingdom than those provided for in the Iron and Steel Duties Act, 1934.

In February 1935 intimation was received from the European Group in the Indian Central Legislature that it would appear that both the Commerce and Finance Departments of the Government of India were reluctant to bring forward for consideration any amendment in the Tariff at that moment. The European Group pointed out that as the alteration in the rates of duty suggested by the Chamber would mean an increase in duty they could only be effected by an amending Bill in the Legislature. As it was improbable that there would be any alteration in the Tariff consequent on the Budget it did not seem likely that any action would be taken by the Government of India at the moment.

In placing the above facts before members interested the Committee stated that they felt that the best argument that could be used in order to get an amending Bill introduced would be the quotation of specific instances, if these could be produced, of the loss of revenue to Government due to the omission of the alternative *ad valorem* duty in the case of non-British manufactures. The members concerned were requested to forward to the Chamber details of any specific instances as might come to their notice.

Subsequently at the instance of a member the Committee drew the attention of the Government of India to the case of

cast iron valves and pointed out that the British article stood at a disadvantage to the Continental article owing to the fact that there was no alternative *ad valorem* duty leviable on the latter, while there was on the former. Later in the year another member called attention to a similar disability in respect of bolts and nuts. This also was brought to the notice of the Government of India.

In June 1935 the Government of India issued a notification exempting certain articles from import duties either wholly or partly, subject in some cases to limitations or conditions. Among the articles partially exempted were (1) iron or steel bolts and nuts, including hook bolts and nuts and (2) iron or steel rivets. In December 1935 a similar notification was issued in respect of cast iron fittings for cast iron pipes and tubes, that is to say bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like. The effect of the notifications was to exempt the above items from so much of the Customs duty of Import leviable thereon as was in excess of the duty which would be leviable if they were not of British manufacture.

IMPORT DUTY ON SOUTH AFRICAN COAL.

At the annual meeting of the Associated Chambers of Commerce of India held at Calcutta in the 17th and 18th December 1934 a resolution was adopted in the following terms :—

"That this Association recommends to the Government of India that an increase in the import duty on foreign coal entering India should be introduced immediately."

A copy of the resolution and a report of the discussion that preceded its adoption was forwarded to the Government of India for consideration. The Government of India in

replying to the Associated Chambers observed that the question of protection to the Indian coal industry was examined by the Tariff Board in 1926 when it found unanimously that the case for extending protection to the industry had not been established. The Government of India added that they were not prepared to raise the import duty on coal as a measure of protection without a further examination of the question by the Tariff Board, and they considered that the case as put forward by the Associated Chambers of Commerce did not warrant such a reference.

At the annual general meeting of the Associated Chambers held on the 16th and 17th December 1935, the following resolution was moved by the Bengal Chamber and carried *nem con* :—

"Having regard to the competition with which Indian coal has been faced for years past and is still experiencing from imports of coal from South Africa this Association is of opinion that Government should impose a countervailing duty of Rs. 1-8-0 per ton on imports of South African coal into India in addition to the existing revenue duty of 10 annas per ton of foreign coal."

CLASSIFICATION OF PAPER FOR TARIFF PURPOSES.

In paragraph 101 of the 1931 Report on the grant of protection to the Paper and Paper Pulp Industries, the Tariff Board recommended that in the event of their proposals in regard to the measure of protection to be afforded to the Industries being accepted, steps should be taken at the earliest possible opportunity after the passing of the Act to specify, as definitely as might be possible, the classes of paper which were by ordinary trade usage included in the term "Printing and Writing Paper" as used in the Import Tariff Schedule. In announcing their decisions on the

report the Government of India in their Resolution No. 202-T (28), dated the 3rd February 1932, expressed their inability to accept the Board's recommendation. In their view the definition of articles to which the protective tariff should apply was one which should indicate as precisely as possible the intention of the Legislature and should be so framed as to include any such article as could be produced economically in the country or might compete with an indigenous product. For this purpose trade usage provided no guide. At the same time, the Government of India appreciated the fact that the then current statutory definition of the protected classes of paper gave rise to difficulties of interpretation and declared that if protection were given for a further period to the paper industry they proposed to proceed to the revision of the basis of assessment to duty of imported paper in consultation with the different interests concerned in such a way as to obviate disputes regarding the interpretation of the tariff. They also undertook to place the result of such revision before the Legislature.

In accordance with their announcement the Government of India consulted the various interests concerned in the matter on a broad scheme of classification, the central idea of which was the specification of non-protected papers and the grouping of all others in a residual protective class. The views received, however, were so divergent that it had been impossible to arrive at any satisfactory conclusion. The Government of India considered that in the circumstances the question should be investigated by the Tariff Board. They decided therefore to ask the Board to examine the classification of paper for tariff purposes with a view to recommending such changes as might be considered necessary

to give effect to the intentions of the Legislature in granting protection to printing and writing papers under the Bamboo Paper Industry (Protection) Act, 1932.

TARIFF CLASSIFICATION OF MOLASSES.

In April 1935 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal to delete the heads "Molasses—(*i*) imported in bulk by tank steamer, (*ii*) otherwise imported" from the tariff classification notified under Government of India Commerce Department Notification No. 73-T (28)-34, dated 15th December 1934.

After consulting the Import Sub-Committee the Committee informed the Director-General that they did not know of any objection to the proposal. They added that it would be helpful if in making these references in future the Director-General could explain briefly the reasons for the proposed changes in the tariff.

DATES AND BETELNUTS.

Tariff Valuation.

In August 1935 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on two proposals (*a*) to revise the classification of "Dates, dry in bags" in the manner shown below :

Dates, dry in bags—
Quality known Kapkapa, Sekra Chhawa, Chupchap Sathina and Brami.....
All other sorts.

(*b*) to assign a separate tariff value for "Betelnuts (husked), sliced, all sorts."

The Committee replied that they had no objection to either of the proposals.

Both proposals were adopted in the list of tariff valuations for 1936.

SCRAP METAL CONTAINING NICKEL.

Tariff Valuation.

In August 1935 the Director-General of Commercial Intelligence and Statistics informed the Chamber that it had been represented to him that it was difficult to ascertain the correct value of any consignment of scrap metal containing nickel such as, cupro nickel bullet cases and old German silver scrap, for assessment to import duty without making careful enquiries in the market, which led to delay and inconvenience both to the Custom House and the importers. It was therefore proposed to fix tariff values for "Cupro-nickel bullet cases, old" and "German silver including nickel silver, old" with effect from the next year. The Director-General asked for the views of the Chamber on the subject.

From enquiries made by the Committee it appeared that "scrap metal, including nickel", was not a suitable definition for a tariff valuation. There were too many classes of scrap which could be imported under the definition and if the tariff value was fixed too low, Government would lose revenue while if it was fixed too high imports of the lower grades would fall off. In this connection the Committee forwarded to the Director-General a copy of a note by a member on the subject, which clearly pointed out the defects of any single valuation. The Committee suggested that the matter should be brought up for discussion at the time of the Director-General's visit to Bombay in connection with the annual revision of tariff valuations.

In the list of tariff valuations for 1936 a tariff valuation was fixed for "German silver including nickel silver, old" at Rs. 23 per cwt. and for "Cupro-nickel bullet cases, old" at Rs. 24 per cwt.

SILK PIECEGOODS AND PAPER

TARIFF VALUATION.

In August 1935 the Director-General of Commercial Intelligence and Statistics informed the Chamber that it was proposed to amend the tariff valued head "Printing paper, not on reels (excluding chrome, marble, etc.,) etc." in order to exclude "Art paper" the real value of which was considerably higher than the tariff value for printing paper.

It was also proposed to reintroduce the tariff values on those silk piece-goods for which tariff values existed in 1934 and to fix tariff values for the following additional heads :—

Saries and dhoties—	Plain—	(*a*) Fugi
		(*b*) Other sorts.
	Flowered—	(*a*) Fugi
		(*b*) Other sorts.
Saries and dhoties—containing gold and silver thread—		(*a*) Fugi
		(*b*) Other sorts.

The Director-General added that it was reported that market values of these articles were not easily ascertainable at some of the ports; hence the proposal.

After consulting the Import Sub-Committee and members interested the Committee informed the Director-General (*a*) that they were of opinion that the term "Art paper" should be amended to read "Wood-free real art paper" and (*b*) that they approved of the proposed re-introduction of tariff values for silk piece-goods.

In the list of tariff valuations for 1936 the amended tariff valued head for printing paper, etc., as originally proposed by the Director-General was included. The tariff values for silk piecegoods, however, were not included.

TARIFF VALUATION OF " BANSLOCHAN ".

In July 1935 the Director-General of Commercial Intelligence and Statistics asked for the views of the Chamber on a proposal to re-introduce the tariff valued head " Banslochan " (Bamboo camphor) with effect from 1936 as it had proved to be a matter of difficulty to ascertain the correct real value of any consignment for assessment to import duty. After consulting the Import Sub-Committee the Committee informed the Director-General that they had no objection to the proposal.

A tariff valuation of Rs. 1-4-0 per pound was fixed for 1936.

TARIFF VALUATION.

Annual Revision.

In December 1934 the Director-General of Commercial Intelligence and Statistics informed the Chamber that in connection with the 1934 annual revision of tariff values it was stated by the Buyers and Shippers Chambers, Karachi, and the Indian Merchants' Association, Karachi, that the time allowed to them for consideration of, and expression of their views on, the provisional rates of tariff values was not sufficient for eliciting the views of members interested in these values and it was suggested that the period usually allowed for such consideration should be extended. The Director-General inquired whether any difficulty had been experienced by this Chamber under the present time table.

After consulting the Import Sub-Committee the Committee informed the Director-General that they had not up to then found the time allowed insufficient for consideration of the provisional rates of tariff values.

In accordance with the usual practice the Director-General of Commercial Intelligence and Statistics met representatives of the Chamber on Thursday, the 21st November 1935 and discussed with them his proposals in connection with the annual revision of the tariff schedule in respect of articles assessed to duty at tariff valuations.

ASSESSMENT OF GOODS BY THE CUSTOMS.

Addition of Insurance.

In March 1934 the Associated Chambers of Commerce of India asked for the views of this Chamber on a representation that had been received from the Upper India Chamber protesting against the practice followed by the Calcutta Customs of adding, for the purpose of assessment, 1½ per cent. to the invoice value of uninsured goods to represent the normal cost of insurance.

After considering the matter in consultation with the Import Sub-Committee the Committee informed the Associated Chambers that they did not feel able, in the absence of further particulars, to support the recommendations of the Upper India Chamber that a representation should be made to the Central Board of Revenue.

TRADE WITH GERMANY.

Proposal for formation of an Exchange Pool.

In March 1935 the Burma Chamber informed the Associated Chambers of Commerce of India that its attention

had been drawn to the difficulties of carrying on normal trade with Germany under the recently enacted exchange regulations in that country, whereby facilities for the import of commodities from India to Germany were only obtainable against export of German goods to India of an equivalent value unless in exceptional cases where special facilities were granted by the German Government. The Burma Chamber pointed out that the consequence of the above mentioned regulations was that business in exports to Germany was in very grave danger of drastic curtailment unless some prompt relaxation of the exchange restrictions was arranged. The Burma Chamber suggested that the favourable position of Germany was such as would justify Government intervening to facilitate the export trade to Germany by forming an Exchange Pool in India out of which allotments would be made to exporters of rice, timber, jute, etc. The Burma Chamber suggested that the Associated Chambers should move the Government of India in the matter.

The constituent Chambers were asked by the Associated Chamber whether or not they were agreeable to representations being made to the Government of India in the matter as suggested by the Burma Chamber.

After carefully considering the question, the Committee informed the Associated Chambers that they had come to the definite conclusion that the Government of India should not be urged to intervene in the manner suggested. The Committee's reasons were the following :—

The Burma Chamber of Commerce based its arguments on the statistics published by the "Department of Commercial Intelligence and Statistics". These statistics showed that :—

(1) during the 13 years 1901/2 to 1913/14 the balance of trade was *in favour of India* to the extent of Rs. 11.4 crores per year on the average ;

(2) there was no trade between India and Germany during the years 1914/15 to 1919/20 ;

(3) during the 11 years 1920/21 to 1930/31 the balance of trade was *in favour of India* to the extent of Rs. 10. 3 crores on an average per year ;

(4) during the two years 1931/32 and 1932/33 the balance of trade was *in favour of Germany* to the extent of Rs. 90 lakhs' average per year ;

(5) during the two years 1933/34 and 1934/35 the balance of trade was *in favour of Germany* to the extent of Rs. 10 lakhs' average per year.

The British Indian statistics ignored, however, the following factors :—

Firstly, Germany's takings of British Indian produce *via* foreign ports, such as Goa and Pondicherry.

Secondly, shipments from British India ports *via* British ports and *via* Antwerp and Dutch ports. The Director General of Commercial Intelligence and Statistics in his "Report on the working of the Ottawa Trade Agreement," at page 2, pointed out that many staple commodities were exported without stating the country of *final* destination. Many such consignments of rice, for instance, were credited to the United Kingdom.

It was established that Germany bought a very large quantity of Indian produce in the United Kingdom markets. It was, therefore, not possible to establish an even approximate estimate of the position of the trade between India and Germany without taking into account the very important "entrepôt" trade of the United Kingdom.

The Department of Commercial Intelligence and Statistics had never published figures relating to United Kingdom

" entrepôt " trade with Germany, but the German Statistical Office had recently published a volume of statistics, wherein were shown side by side Gremany's Foreign Trade according to her own statistics, and again, according to foreign statistics. These statistics included all Germany's takings from India, regardless whether they were imported from British India ports directly, or from non-British ports in India, or *via* London, etc. They showed that Germany's " passive balance " was considerably larger than the British India figures indicated. They also showed that, during the fourth quarter 1934, there was for the first time, a balance *in favour of Germany* to the extent of Reichmarks 600,000. Looking over the year 1934 as a whole, according to these German statistics, there was a balance *in favour of India* to the extent of Reichmarks 40 million, whereas, according to British India statistics, there was a balance, *in favour of Germany* of Rs. 290 lakhs during the period April 1934 to February 1935.

If it were assumed, for argument's sake, that a clearing system were established between British India and Germany, the Committee thought the following would be the results :—

Firstly, as pointed out in a note by a member of the Committee of the Bengal Chamber that had been forwarded by the Associated Chambers for the information of this Chamber, the United Kingdom " entrepot " trade would be entirely eliminated. Such, in fact, had been the result of a clearing arrangement that was made between the Government of South Africa and Germany. The London Woollen market had been entirely eliminated.

It was, therefore, understandable that the Board of Trade declined to enter into a clearing arrangement with Germany. Such an arrangement would necessarily have

called for clearing arrangements between all the British Dominions and Germany, with the result that the United Kingdom would have lost its traditional profits as intermediary.

Secondly, experience had shown that, whenever a country had entered into a clearing arrangement with Germany, imports and exports had at once tended to arrive at an even balance.

The Committee felt that it was unnecessary to emphasise that it was essential for India to achieve a balance of trade large enough to cover the "Home charges." India's currency system was based on the assumption that there would be such a balance. For this reason alone, the Government of India could not enter into a clearing system with Germany, unless it could be so arranged that a substantial balance in India's favour would result.

In pre-war days, Germany possessed investments abroad valued at £2,000 million. This enabled her to incur a "passive balance" in raw produce countries like India. Now-a-days, Germany had no assets abroad; she had, on the contrary, a foreign debt of £2,000 million. Except for difference of degree, her position was, in fact, the same as that of India, *i.e.*, she must try and achieve an active trading balance in order to maintain the service of her foreign debt.

It therefore appeared to the Committee that negotiations with Germany for a clearing arrangement could not lead to a satisfactory result, *viz.*, to the re-establishment of a trading balance in favour of India.

The Committee also made reference to Burma's position in particular. On this side, statistics relating to the trade between Burma and Germany were not available, but the

Committee believed it to be the case that Burma at the moment purchased comparatively small quantities of German goods. She had, on the other hand, in the past, been a large exporter to Germany. So long as Burma was a part of India, this disequilibrium was not of great importance. The existence of a compulsory clearing system between India and Germany would, however, become a serious matter for Burma, once the separation from British India was accomplished. The clearing system would necessarily reduce Burma's exports to Germany to the very low figure of her purchases from Germany.

The Committee suggested that the Associated Chambers might invite Government's attention to the conflicting statistical figures bearing on the subject of India-German trade and to the danger of accepting at their face value the Government of India statistics, which clearly did not give the whole picture. The Committee added that it might be suggested to Government that official publication should be given also to the corresponding statistics issued by the countries, Germany and others, which constituted India's customers and/or suppliers.

In July 1935 the Chamber was informed by the Associated Chambers that the replies received to their Circular revealed a distinct difference of opinion among the Chambers as to the desirability of placing the proposal before the Government of India. As the Government of India were already aware of the position, and as the Burma Chamber no longer desired to press the matter, the President of the Associated Chambers decided not to take any further action.

His Excellency the Viceroy, during the course of his speech delivered to the Council of State and the Legislative

Assembly on the 16th September 1935 referred to the figure of the trade between India and Germany in the following terms :—

Honourable Members may be interested more particularly in the results of our trading with Germany and Italy—countries in which the most stringent measures of control have been imposed. In the case of Germany our information is based on the reports of our Trade Commissioner in Hamburg, who has made a critical examination of the German import statistics. Mr. Gupta informs us that in the last quarter of 1934 the balance of trade was against India to the extent of 2¼ per cent. In the first quarter of 1935 the balance was even, showing an exchange of goods valued at 26 million Reichsmarks. For the second quarter of 1935 the balance has again swung in India's favour and Germany has imported from India goods valued at 31 million Reichsmarks against exports to India of 24 million only.

CUSTOMS SUNDAY WORKING FEES.

(*See Reports* 1924, *Volume I*, *page* 210; 1932, *page* 166; 1933, *page* 176; 1934, *page* 102).

In March 1935, the Associated Chambers of Commerce of India addressed the Central Board of Revenue urging that early and favourable consideration be given by the Board to the question of introducing a scale of fees for Sunday working in Indian ports similar to that which had been introduced in Hongkong with effect from 1st January 1935 and suited to the arrangements for Sunday working at the different ports in India.

The Central Board of Revenue in replying to the Associated Chambers stated that it appeared that the Government of Hongkong had been precluded from abolishing the Sunday working fees in their entirety on account of the exigencies of their financial position. The levy of these fees in Hongkong would thus appear to be based on revenue

considerations. The position in India was entirely different. The policy underlying the levy of these fees was that it was considered desirable in the interests of the various kinds of labour connected with shipping that Sunday work which was an encroachment upon the leisure of these classes should be reduced to the minimum. Consistently with this object, the scale of Sunday fees was so fixed as to constitute a positive discouragement to Sunday work. The collections from these fees were utilised to give financial assistance to deserving institutions doing welfare work at the ports. It would thus be seen that the Government of India were not influenced by financial considerations in determining the necessity for, or the scale of, these fees.

The Central Board of Revenue added that exemptions from the payment of Sunday fees were allowed at the moment when the vessel was compelled to work through dire necessity to ensure its own safety, and in certain other specified cases of special urgency. The extension of the exemption to cases in which work was required to be performed on a Sunday in order to effect a saving of port and other charges would be inconsistent with the object the Government of India had in view, and any reduction in the scale of these fees would be similarly open to objection inasmuch as it would diminish the effectiveness of the discouragement to Sunday work and would, to that extent, defeat the object for which the fees were levied. The Board regretted, therefore, that it was unable to accept the suggestion of the Associated Chambers.

SEALING OF BONDED GOODS IN THE DOCKS.

In April 1935, a representation was received from a member in regard to the charges levied by firms and indivi-

duals licensed by the Port Trust for sealing packages in the Docks in accordance with the requirements of the Customs authorities when goods were despatched to Afghanistan and Kashmir under Bond.

On making enquiries of the Port Trust the Committee were informed that a number of firms who had represented that they required to bring their sealing apparatus into the Docks for their own purposes, had been given permission to do so and it was presumed that some of these firms were undertaking sealing for other merchants at prices which they fixed among themselves.

In view of this reply the Committee suggested to the member concerned that he should apply for permission for one of his own men to seal his packages in the Docks.

RAILWAY CLASSIFICATION OF GOODS.

During the year under review the Chamber was asked by the Indian Railway Conference Association for its views in regard to several proposals that were to be put up for discussion at the various meetings of the Commercial Committee for Interchange in connection with the amendment of the General Classification of Goods. After consulting the Docks and Railways Sub-Committee in each case the Committee approved of most of these proposals and except in the cases noted below they offered no comments.

Roofing Felt, Celotex, etc.—In May 1935 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to be discussed at the July (1935) meeting of the Commercial Committee for Interchange recommending that the entry of "roofing felt or patent" be deleted and an entry of "Boards, patent, roofing

or insulation, 4 R.R., 2 O.R." be provided in the General Classification of Goods.

The Committee informed the Indian Railway Conference Association that they were of opinion that there was need for separate classification of roofing as distinct from ceiling material from the point of view of difference in make up and packing, even though the rates be the same. The Committee were therefore in favour of (*a*) the retention of the present heading "Roofing, Felt and Patent" to cover roofing materials proper, which were usually imported in rolls; and (*b*) the introduction of a new heading appropriately designated to cover such materials as Celotex, Treetex and other patent ceiling and wall boards which were all flat sheets or boards packed in crates and were used for ceiling and insulation purposes and the correction of accoustic defects in ceilings and walls.

The Chamber was informed at a later date that the Commercial Committee for Interchange had recommended to the Indian Railway Conference Association to make a new entry in the General Classification of Goods of "Boards, patent, insulating or building (ceiling, wall or flooring) 4 R.R., 2 O.R."

Bituminous Solution.—In July 1935 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to classify bituminous solution separately under 4 R.R., 2 O.R. and indexed to "colours paints and dyes, Division B."

The Committee understood, that the "Bituminous Solution" referred to above was a product containing Bitumen which was used as a paint. The term might also, however, be applied to other bituminous products, such as

some of those which were used for road making, with equal justification. It was necessary therefore that a more precise description of the commodity which it was intended to classify should be made. The Committee suggested that it might be noted that by "Bituminous Solution" was meant those products containing Bitumen which were employed for the same purpose as pigment paint.

Fruits and Vegetables.—In August 1935 the Indian Railway Conference Association asked for the views of the Chamber on certain proposals that were up for discussion at the September meeting of the Commercial Committee, with regard to the re-classification of fruits and vegetables.

The Committee informed the Indian Railway Conference Association that they understood that the existing classified rates for fruits, vegetables, etc., had been in force since 1922 and that the question of removing anomalies in the classification was at the moment receiving the special consideration of the Indian Railway Conference Association. To this end the Commercial Committee for Interchange had made certain recommendations for the interpolation of additional class rates that would possibly facilitate such revision and afford greater flexibility in rating.

Under the circumstances it seemed to the Committee preferable that consideration of such proposals as those put forward by the Bengal Nagpur Railway should be deferred until the additional class rates were authorised, unless, for any reason, there was urgent need for immediate revision.

Varnishes, Paints and Polishes.—In August 1935 the Indian Railway Conference Association asked for the views of the Chamber on certain proposals that had for their object the revision of the classification of varnishes, paints and polishes.

The Committee informed the Indian Railway Conference Association that in their opinion the early revision of the classification of paints, varnishes, polishes, enamels, etc., was necessary.

Ferro-Silicon.—The classification of 10 R.R. and 9 O.R. was considered excessive and it was proposed to reduce it. The Committee agreed that the rate charged on this commodity was excessive and should be reduced.

Plywood.—It was proposed to classify plywood under 2 R.R. The Committee considered that the grouping of all plywood under one head was an unscientific method of classification. There was, for instance, a wide difference in value between plywood for tea chests, etc. (usually made of soft Baltic timber) and that used for cabinet making (*e.g.*, walnut, oak, mahogany, etc.). The Committee did not doubt that the more valuable furniture material could stand the higher rate recommended but packing container plywood could not do so.

Mahogany Logs.—It was proposed to classify mahogany along with teak and other timbers under Class I instead of under Class IV for freight purposes.

The Committee pointed out that the Indian grown timber called mahogany was not real mahogany, any more than "walnut wood" was real walnut. The railway freight on these timbers, as classified at the moment was, in the opinion of the Committee, prohibitive.

Seeds.—It was proposed to charge as "seeds, common" under 1 R.R. only such seeds as were generally used for food stuffs and in which there was appreciable traffic, and to charge garden, vegetable, flower and fruit seeds at 4 R.R.

While agreeing with the main suggestion to differentiate between "Seeds, common" and what might be called "Seeds, special", the Committee expressed the view that 4 R.R. might be too high a rating for the latter.

Iron or tin rings and eyelets for shoes.—The Committee stated that the amount of traffic in these articles did not appear to justify a separate entry in the General Classification but uniformity of classification was desirable.

Metals.—The Committee considered that there should be an alternative owner's risk classification for *all* unwrought metals.

The Committee were doubtful whether the term "ware" was appropriate for the manufactured articles of the various metals, and before agreeing that the classification of manufactured articles should be at railway risk only and at the same class rates as the railway risk rates for unwrought entries, they desired to be informed of the packing conditions that were to be imposed. The Committee were advised that aluminium, brass and copper hollow-ware, for example, were packed in gunny bags and were accepted at owner's risk, and if the Indian Railway Conference Association imposed packing conditions for carriage at railway risk, which would not permit of carriage in gunny bags as heretofore, the manufacturers of hollow-ware in this country would be seriously affected.

The Committee agreed to the classification of scrap at railway risk in the same class as for the unwrought metals at owner's risk and they supported the principle of charging metal foil the same rates as for the respective metal "wares."

It was suggested for the consideration of the Indian Railway Conference Association that the following

nomenclatures be substituted for those suggested by the East Indian Railway:—

Unwrought—to include ingots, sheets and slabs.
Wrought—to include bars, rods, tubes, wire, castings and foil.
Hollow-ware—to include pots and vessels generally.
Hardware—to include rivets, nails, washers, etc.

The Committee considered that Moradabad "ware" should be indexed to both brass and copper as it was made either of brass or of copper.

Finally the Committee urged that the classification at both railway and owner's risk for unwrought metals should be further examined, for there were indications that the rates proposed were out of proportion to the existing value of individual metals. The Committee expressed a hope that they would be given a further opportunity of examining the proposals of the Indian Railway Conference Association when they had been clearly defined.

Aniline and Antimony Salts.—In August 1935 the Indian Railway Conference Association asked for the views of the Chamber on a proposal to re-classifiy Aniline and Antimony Salts as under :—

Antimony flouride mordant (antimony salts).	
p ; d ; L	6 R.R., 4 O.R.
Salt aniline, p ; d ; L	6 R.R., 4 O.R.

A reference had been made to the Chief Inspector of Explosives, Calcutta, who stated that packed as laid down in column 4 against Serial Nos. 75 and 91 on pages 97 and 105 respectively of Red Pamphlet No. 12 the two compounds in question were more poisonous than dangerous and corrosive. In his opinion they were correctly placed under Schedule II—'dangerous, corrosive and poisonous chemicals.' He added that he was not in a position to criticise the rates; they appeared to him to be on the high side.

The Committee informed the Indian Railway Conference Association that they were inclined to agree with the Chief Inspector of Explosives that Aniline and Antimony Salts were more poisonous than dangerous and corrosive, but that they were correctly placed under Schedule II "dangerous-corrosive and poisonous chemicals." The Committee considered, however, that the rates charged were definitely on the high side and encouraged or invited malpractices by the smaller chemical dealers who, in order to circumvent paying the higher freight rates at present in force, were known often to declare Aniline and Antimony Salts as "Other chemicals" classified under a lower tariff. This had the double disadvantage of decreasing the earnings of Railway, and making it impossible for honest dealers to compete. It seemed advisable to the Committee, therefore, that the freight rates on these commodities should be reduced to a reasonable level and they strongly recommended that this should be done.

RAILWAY TARIFFS.

General Classification of Goods.

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 17th December 1934 the following resolution was adopted *nem con* :—

"That, in the opinion of this Association, there is immediate need for a close examination of railway goods tariffs so as to obtain closer co-ordination between the various Railway systems, having regard to the needs of India as a whole, and primarily, to ensure that the development of the internal trade and export trade of the country are more advantageously served than at present. It is considered essential, when the necessary data have been collected, that non-official representatives of trade and commerce should be associated with Government in a full enquiry into the question."

In June 1935 the Railway Board informed the Associated Chambers that the Indian Railway Conference Association had suggested to the Board that trade, commercial and agricultural interests might be invited to meet a Committee of the Indian Railway Conference Association with a view to the latter explaining the present system of rating and obtaining from those interests a definite statement of the directions in which, in their opinion, the system required simplification and revision.

The Railway Board agreed with this suggestion and invited the Associated Chambers to nominate two representatives to meet a Committee of the Indian Railway Conference Association at Delhi on the 29th July 1935. The Associated Chambers with the concurrence of the constituent Chambers nominated Messrs. J. H. Blackwell and S. C. Lyttleton to represent the Association at Delhi.

In the meantime the Committee appointed a special Sub-Committee of the Chamber for the purpose of suggesting any directions in which the existing system of rating as set forth in the "General Classification of Goods" issued by the Indian Railway Conference Association required simplification and revision.

The time at the disposal of the Sub-Committee was so short however that they did not find it possible to go into details of the Railway rating method and the Sub-Committee only gave rough outlines of principles which might be considered in connection therewith. The recommendations of the Sub-Committee were submitted to Mr. Blackwell.

(1) The Sub-Committee considered that uniformity of rates and charges (terminal, transhipment, etc.) on all railways would give the most desirable measure of simplification and as far as practicable it should be adopted.

(2) A comprehensive tariff enabling merchants to calculate rates for all commodities over all railways in India was, likewise, most desirable. As however, this might not prove to be practicable the Sub-Committee recommended that railways be urged to improve their rates quotation organisations so that merchants might receive accurate rate quotations within a reasonable period. A possible solution to this problem would lie in the opening of goods rates bureaux at certain important selected centres under the control, possibly, of the Indian Railway Conference Association.

(3) The Sub-Committee considered that the classification required revision by providing a more reasonable difference between R. R. and O.R. rates without increasing the quantum of the individual O.R. rates. One member suggested that there should be a uniform difference between all R.R. rates and O.R. rates, and that a suitable uniform difference would be 6 pies on the total amount of the rate to be charged. The Sub-Committee further considered that revision was required to provide additional classes which would be suitable for the lower grade of merchandise and avoid to some extent the necessity of railways making exceptions. They also considered that it should be incumbent upon railways to select telescopic schedules from those recommended by the Indiar Railway Conference Association and thus avoid the numerous special schedules of individual railways, and in accord with paragraph (1) above, uniformity of schedules for the same commodity should be adopted by all Railways as far as practicable.

(4) In the revision of the Classification due consideration should be given to the fact that the existing bases for charge were fixed many years ago when commodity prices were at a much higher level. Also that cheaper wagon load rates

for the principal commodities especially those for export were required.

The Committee expressed the hope that Mr. Blackwell would have an opportunity of discussing at the Conference the question of the liability of railways under the existing Risk Notes and the urgent necessity of the terms of these Risk Notes being reviewed.

A copy of the proceedings of the meeting was received subsequently and was placed at the disposal of members interested.

RAILWAY RECEIPTS AS NEGOTIABLE INSTRUMENTS.

(*See Reports* 1886, *pages* 63, 452; 1887, *pages* 25, 79; 1888, *pages* 24, 102; 1889, *pages* 43, 261; 1890, *pages* 177, 429; 1904, *pages* 68, 436; 1906, *page* 53; 1907, *page* 38; 1908, *pages* 41, 265; 1932, *page* 189; and 1933, *page* 189.)

In August 1932 the Associated Chambers of Commerce of India furnished constituent Chambers with copies of certain papers which had been received from the Government of India, Railway Department (Railway Board) and in connection with which an expression of the views of the Association was sought on the recommendation of the Indian Central Banking Enquiry Committee 1931 that railway receipts should be placed by the legislature on the same footing as bills of lading and that they should also be made negotiable. Owing to the diversity of opinion among the constituent Chambers in regard to this matter it was not found possible for the Associated Chambers to express a definite opinion on the recommendation, but the replies by the Chambers to the circular reference were duly passed on to the Railway Board in January 1933.

In October 1935 the Associated Chambers forwarded for the information of this Chamber a copy of a letter addressed by the Government of India, Railway Department (Railway Board) to all Local Governments, explaining why the Government of India were unable to accept the recommendation of the Indian Central Banking Enquiry Committee that railway receipts should be negotiable to the same extent as a negotiable instrument. In this letter the Government of India stated that an examination of the position indicated that, on account of the provisions of the Indian Transfer of Property Act, the Indian Contract Act and the Indian Sale of Goods Act, a railway receipt was already on the same footing as a bill of lading, so far as the relations between the owners of the goods and the Railways were concerned.

In regard to the question of issuing railway receipts that would be on the same footing as a negotiable instrument, the Government of India stated that the difficulties implicit in such an arrangement ruled out the practicability of its adoption. Every negotiable instrument, such as a cheque or a bill of exchange, was expressed to be payable in money and its terms could be readily gathered from the document itself. A railway receipt, on the other hand, did not deal with the payment of money, but was concerned with the delivery of goods. It was impossible to standardize all goods, and even in the case of standardized goods, the value as measured in money, when received for carriage, might not be the same at the time of delivery. If the railway receipt, however, was negotiable, *i.e.*, exchangeable for money, its value would be liable to fluctuate widely from day to day. The value of goods covered by a railway receipt was determined by a reference to the invoice or bill of exchange

which was ordinarily annexed to the railway receipt by the consignor, but if it was to have a full negotiability in the technical sense, its value in money should appear on the document itself. Similarly, a bill of exchange was payable on a certain fixed date, and certain consequences followed if it was not presented for payment during the days of grace. So also a cheque not presented for payment in a reasonable time absolved prior endorsees from liability. It was impossible to place railway receipts on the same footing. Moreover, in the case of forged endorsements, there would be no protection to a Railway Administration. It would appear, therefore, that a railway receipt which had the status of a negotiable instrument would be subject not only to all the liabilities of a carrier under the Indian Railways Act, but would also be subject to all the liabilities under the law relating to negotiable instruments. In these circumstances, the Government of India were unable to accept the recommendation of the Indian Central Banking Enquiry Committee that railway receipts should be negotiable to the same extent as a negotiable instrument.

RAILWAY RISK NOTES.

(*See Reports* 1920, *Vol. I, page* 117 ; 1921, *Vol. I, page* 110 ; 1922, *Vol. I, page* 171 ; 1924, *Vol. I, page* 213 ; 1933, *page* 187 ; 1934, *page* 177.)

For some considerable time past the Chamber has been endeavouring to persuade the railways to accept the principle that they have a liability to the public to give delivery of consignments in the same good order and condition in which they were tendered for despatch and, in particular, not to demand Risk Note Form 'A' for trifling reasons and then use the Risk Note to repudiate liability when goods are

damaged in transit by oil, water and/or coal dust. Another serious complaint in regard to Risk Notes is that in the case of the total loss or destruction of packages booked under Risk Note Forms 'B' or 'H' the onus of proof that the loss or destruction was due to the negligence of the Railway servants lies upon the consignees.

The whole question was informally discussed with the Honourable Member for Commerce and the Chief Commissioner of Railways when they met the Committee of the Chamber on the 24th July 1935.

The Agent of the G. I. P. Railway stated at the meeting that, in order to satisfy consignees that Risk Note 'A' is not unfairly demanded by despatching stations, he had made arrangements, through the Closer Contact Committee, for representatives of commercial firms to go down to the sidings with Railway Officials and inspect, on arrival, consignments booked under this Risk Note.

The attention of members was drawn to this facility and in doing so the Committee stated that they considered that it was only by bringing specific instances of hardship experienced by members in respect of the repudiation of liability by the Railways to the direct notice of the higher authorities that it would be possible to obtain any redress. Members were therefore requested to forward immediately to the office of the Chamber full particulars of any such cases.

BOMBAY SIND CONNECTION RAILWAY.

(*See Reports* 1906, *page* 44; 1907, *page* 31; 1908, *page* 43; 1922, *Vol. I, page* 164; 1929, *Vol. I, page* 163; 1930, *Vol. I, page* 128; 1933, *page* 197; 1934, *page* 181.)

It was mentioned in the Chamber's Report for 1934 that in replying to a reference from the Agent of the B. B. & C. I.

Railway the Committee had stated that they were definitely of the opinion that the proposed Bombay Sind connection Railway should not be undertaken at the present time because—

(1) it was unlikely to prove remunerative;

(2) it was likely to lead to a further diminution in the Customs receipts of the Government of India by opening up fresh connections by rail to Kathiawar and Cutch and further increasing the diversion of trade through the Maritime States;

(3) it would undoubtedly aggravate the tendency to uneconomic competition between rail and water-borne traffic;

(4) it appeared to be unnecessary as the existing facilities were adequate for all traffic likely to be moving south of Karachi.

The Chamber has not received any official statement from the Government of India but in a report that appeared in the local press on the 8th December it was mentioned that prominent Indian mercantile bodies in Karachi who had sought leave from the Railway Board in New Delhi to send a representative there to discuss matters connected with the Sind-Bombay Railway, which had been pending for a long time, had heard from the Secretary of the Board that on a careful survey of the entire project since 1879, the Board felt that the scheme was unlikely to yield 2.2 per cent. on the lowest possible capital expenditure.

Further the Bombay Government whose territory, after the separation of Sind, would scarcely be touched by this line, could hardly be expected to grant a subsidy of 6.72 lakhs which would be required to prevent a loss to the railway department. The Board therefore saw no justification in proceeding further in the matter.

RAIL *VERSUS* SHIPPING.

In November 1935 the Government of India, Department of Commerce, informed the Associated Chamber of Commerce of India that the Hon'ble the Commerce Member proposed to call a Conference at Delhi on Friday, 20th December, to discuss with representatives of the Commerce and Finance Departments and of the Railway Board the general principles which should be followed in regulating competition between railways and shipping interests. It was proposed that in addition to representatives of the Government of India, the Conference should consist of :—(1) a representative from each of the Port Trusts of Calcutta, Bombay and Karachi; (2) three representatives each from the Associated Chambers of Commerce and of the Federation of Indian Chambers of Commerce and Industry. It was suggested that one representative each should be drawn from Calcutta, Bombay and Karachi; (3) three representatives from the Shipping Companies, *viz.*, a representative each from the Asiatic Steam Navigation Co., the Scindia Steam Navigation Co., and the British India Steam Navigation Co.

The Governments of Bombay and Bengal were also invited to send an additional representative, should they consider it necessary.

The Associated Chambers invited this Chamber to nominate a representative. The Committee nominated Mr. R. C. Lowndes.

RAILWAY INSURANCE OF CONSIGNMENTS OF GLASS.

In April 1935, the Chief Traffic Manager, G. I. P. Railway, asked for the views of the Chamber on a representation that had been received from the Glass and Frame Merchants'

Association protesting against the conditions under which the Railway was prepared to accept consignments of glass sheets, plate glass and looking glass for insurance, *viz.*:—

(1) That the value of the contents in each case should be over Rs. 100. This condition the merchants considered unsuitable to traders as up-country merchants usually ordered out cases containing glass of the value of less than Rs. 100.

(2) That glass of different dimensions should not be packed in one case. This was also considered unsuitable as shipments from Home often contained more than 4 different dimensions of glass in one case and the goods arrived in Bombay quite safely. Often 5 or 6 different dimensions were packed in one case for despatch up-country and reached their destination safely. It was understood that the B. B. & C. I. Railway accepted for insurance a case containing glass of different dimensions and hardly any claims for damages arose.

After consulting members interested in the trade the Committee informed the Chief Traffic Manager of the G. I. P. Railway that there was substance in the case put forward by the Glass and Frame Merchants' Association.

INTRODUCTION OF CONTAINERS ON RAILWAYS IN INDIA.

In January 1935 the Committee were requested to furnish the G. I. P. Railway with their views on the question as to whether it would be advisable to introduce a service of containers on Railways in India.

The Committee were informed that the subject was previously examined by a Committee of Railway officers

under the auspices of the Indian Railway Conference Association who submitted a report which included a full description of the containers and explained their uses.

'A container is described as a receptacle into which a single consignment of a number of small articles or several suitable consignments can be loaded either on the sender's premises or at the railway station to avoid transhipment at stations en route. Containers are particularly suited for the transport of, *inter alia*, paper packets of tea, passengers' luggage (where a short sea crossing is involved) parcels, fish, vegetable, fruit, milk, oil, bricks, miscellaneous smalls and household furniture. The four different types of containers in use are described on page 2 of the Indian Railway Conference Association's Report as follows :—

(*i*) A small wicker hamper or wooden crate which is manhandled into an ordinary goods wagon, or luggage van, in which small parcels for a particular destination are packed. This type is employed by forwarding Agents in England.

(*ii*) A large crate, with a carrying capacity of 9 maunds which has to be placed on a barrow or is fitted with wheels and rolled to the door of the wagon and loaded by means of a crane fitted to the interior of the vehicle. These are used by the Eastern Railway, France.

(*iii*) A large box made of either pressedsteel, or wood, which is loaded on to a flat truck or directly on to the underframe, replacing the body of the wagon, by means of crane power. The latest type of this class of container, in use in Great Britain and the United States of America, is made of pressed steel and has a carrying capacity of 4 tons and tare of a approximately one ton.

(*iv*) A similar device fitted with swivel castors which can be rolled off a road vehicle across a platform or, directly on to the Railway vehicles."

The following indication of the direction in which the use of containers afforded possibilities of introducing a more efficient standard of service was given on page 24 of the Report :—

(*a*) Consignments from individual despatchers or a group of despatchers with a large trade in small units booked between the same

terminal points, *e.g.*, Piecegoods from the Cawnpore Mills to Calcutta and other large centres, to which there were regular movements on account of different consignees.

(*b*) Regular movements of miscellaneous small consignments between two points, *e.g.*, from Howrah to the various large up-country centres.

(*c*) Regular movements of small consignments from a common point to a group area which can be served from a central distributing point to which despatches will be made in the first instance.

From the examples quoted in the report it appeared to the Committee that there was not at the moment great scope for the use of containers in this part of India, but before addressing the Railway in the matter they asked for the views of members likely to be interested.

In addressing the G. I. P. Railway subsequently the Committee stated that only two members had expressed themselves as being interested in the proposal. The views of these two members were submitted to the Railway.

REWEIGHMENT OF CONSIGNMENTS AT DESTINATION.

In June 1935, a question was raised by a member as to whether a consignee had the right to demand re-weighment at destination of a package, which was in an outwardly sound condition, with a view to ascertaining whether the weight of the package tallied with that shown on the railway receipt.

The matter was discussed at a joint meeting of the Docks and Railways and Shipping and Export Sub-Committees of the Chamber when the railway representatives pointed out that although the railway administrations did not recognise the right of a consignee to demand re-weighment at destination, with a view to facilitating delivery, the railway staff

had been given instructions to allow re-weighment, if desired by the consignee, in the following cases, but without prejudice to the rights of the railway administration :—

(*a*) Goods booked at *railway risk* where the packages or articles show signs of pilferage or damage.

(*b*) Goods booked under risk note form "A" in special cases where it is evident that the packages or articles have been pilfered and the condition of the goods at destination is not covered by the risk note. In all such cases the orders of the District Commerical Inspector or the Divisional Traffic Manager must be obtained and re-weighment allowed in the presence of the District Commercial Inspector and at a first class station in the presence of the station master.

(*c*) Goods booked under risk notes forms "B" or "H" where the packages or articles are evidently in a pilfered condition.

The Sub-Committees considered that in view of the fact that the complaint did not appear to be general, specific instances might be brought to the notice of the railways concerned. They were of opinion that it would be of advantage if all railways issued instructions to their staffs on the lines of those adopted by the two railways serving Bombay, if they had not done so already, and if they administered their existing rules as leniently as possible.

RAILWAY ROUND TOUR TICKETS.

In August 1935, the Publicity Officer, G. I. P. Railway, informed the Chamber that it was proposed to issue round tour tickets on payment of the concessional rate of three quarters of the full fares. The tours might be restricted to one railway or might extend over several railways, the condition required being that the distance travelled should not be less than 2,000 miles. The Publicity Officer asked the Chamber to suggest one or two such tours restricted to the G. I. P. Railway which would be suitable for the tourist, the pilgrim or the business man.

After considering the matter in consultation with members likely to be interested in such tours the Committee informed the Publicity Officer that the consensus of opinion was that round tours restricted to any one Railway would be of little practical value to the business man. Several members had stated that they would appreciate a reduction in fares for a 2,000 mile trip starting and ending at Bombay, but without restriction as to the route taken, railway travelled upon, or time taken.

The Committee regretted they were unable to suggest any suitable tours confined only to the G. I. P. Railway.

ROAD DEVELOPMENT IN THE BOMBAY PRESIDENCY.

In May 1935 the Committee were asked by the Chamber's representative on the Bombay Board of Communications for their views on a scheme estimated to cost Rs. 16 lakhs for modernising the roads in Poona. The scheme will be carried out over a period of six years and the first instalment only, costing Rs. 1,32,008, will be completed during the current financial year. The views of the Committee were also asked on the additional works which it was proposed should be financed from the Road Development Account in 1935-36.

The Committee in reply stated that they had no objections to the scheme for modernising the roads in Poona nor were there any particular points they desired to raise in connection with the other items. They expressed a hope, however, that the Bombay-Poona road would receive greater care than it had sometimes been given in the past and they were pleased to note that repairs to portions of this road were being provided for.

BACK BAY RECLAMATION.

Marine Drive.

In October 1935 the Committee informed Sir Joseph Kay, the Chamber's representative on the Standing Advisory Committee of the Back Bay Reclamation Scheme, that they desired to place on record their view that the Marine Drive should be kept clear of buses and all commercial vehicles except those actually delivering goods to residents along the front. From the plan of the layout of the Reclamation it appeared that there were ample lateral communications between the Marine Drive and the road running parallel to the railway on the reclamation between Churchgate Station and the recreation ground and it seemed possible that bus routes could be arranged on these subsidiary roads for the convenience of residents. Moreover, it was hoped that the development of the Reclamation between the Recreation Ground and Chaupatty would eventually be such that bus routes from Malabar Hill to Churchgate would be possible without buses having to proceed along the Marine Drive. The Committee appreciated that this might mean certain modifications of the present layout plan, but they felt that it would be to the eventual advantage of the public not to permit bus traffic along the Marine Drive.

The Committee asked Sir Joseph Kay to take up the question with the Advisory Committee on the above lines.

The Government of Bombay in replying to Sir Joseph Kay stated that they did not anticipate that any difficulty would arise in the matter of the prohibition of commercial vehicles (excepting those actually delivering goods to residents) from using the Marine Drive.

As regards the question of buses, Government stated that as soon as the extension of Churchgate Street was

completed and open to traffic—probably simultaneously with the opening of the Stadium of the Cricket Club of India, Ltd., there would certainly be a demand for a regular bus service along this extension up to its junction with the Marine Drive, giving direct access to the sea front. Such a service in the opinion of Government would be unobjectionable and was already legislated for.

As regards the continuation of bus services along the Marine Drive, Government stated that they did not expect that a public demand for the inauguration of such services would arise for several years to come, and there seemed no reason why such a demand should be anticipated at this stage.

SUPPLEMENTARY LIST OF TELEPHONE SUBSCRIBERS.

(*See Report* 1933, *page* 229.)

In February 1935 the Karachi Indian Merchants' Association requested the Bombay Telephone Company Limited to issue monthly supplementary lists of new subscribers and asked this Chamber to take the matter up with the Company.

The Bombay Telephone Company also addressed the Chamber in the matter and pointed out that the ideal would be for every subscriber to have an absolutely up-to-date Directory. The nearest approach it had been possible to make to this ideal was to have information which was generally up-to-date within about 10 minutes in the Information Department of the Company with which subscribers could communicate by ringing up 293 in Bombay, 03 in Ahmedabad and 610 in Karachi. It would thus be seen that the very fullest possible information was very easily available.

The Telephone Company contended that the cost of issuing monthly or even quarterly supplementary lists was far greater than some bodies who had made representations on the subject realised. Even the very cheapest of the possible alternatives would cost some thousands of rupees per annum and any of the alternatives would only result in supplying information which compared with that available as above would necessarily be considerably out of date.

The Directors of the Company had accordingly come to the conclusion that the best way to deal with the matter was to draw the attention of subscribers to the fact that such information was readily available in the Company's Information Department and this it was proposed to do by issuing a notice with the next bills sent to each subscriber.

The Telephone Company added that it was not possible for the information in Karachi and Ahmedabad relating to new numbers, etc., in Bombay to be up-to-date within a few minutes, all three centres were exchanging daily advice in this connection by post so that the information in each of them relating not only to local subscribers but subscribers in the other centres would be available at the earliest possible time.

The Committee in addressing the Bombay Telephone Company, Ltd., in the matter stated that they were of opinion that the service which the Telephone Company gave to its subscribers in order to make available to them information regarding new connections, etc., was efficient, and they did not consider the issue of supplementary lists necessary. A copy of the Committee's letter to the Bombay Telephone Company, Ltd., was forwarded to the Karachi Indian Merchants' Association for information.

In June 1935 the Committee were informed that the Bombay Telephone Company, Ltd., had decided to issue quarterly supplementary lists of subscribers.

TRUNK TELEPHONE RATES.

In April 1935 the Associated Chambers of Commerce of India asked for the views of the Chamber on a suggestion of the Calicut Chamber that Government might be approached with a view to increasing the time limit for trunk calls from 3 minutes to 5 minutes without any additional charge.

In replying to the Associated Chambers the Committee stated that while agreeing that an extension of the time limit from 3 to 5 minutes would be a valuable concession they were of the opinion that the suggestion was not a reasonable one. They doubted in any case whether effect could be given to it except either (*a*) at the expense of delays for trunk calls generally, or (*b*) at the cost of considerable capital expenditure which would presumably have to be reflected in the charge for calls.

CODE CABLE EXPENDITURE.

(*See Reports* 1933, *page* 231; 1934, *page* 195.)

Towards the end of the year the Associated Chambers of Commerce of India asked this Chamber to assist the International Chamber of Commerce in collecting statistics of cable expenditure with a view to obtaining information essential to the defence of cable users' interests at the International Telecommunications Conference to be held in Cairo at the beginning of 1938. Members of the Chamber were circularised accordingly.

INLAND TELEGRAMS.

FIVE LETTER CODE WORDS

(*See Report* 1934, *page* 195.)

In October 1935, the Director-General of Posts and Telegraphs informed the Chamber that it was proposed to revise the existing rules for counting unintelligible combinations of letters in Indian inland telegrams so as to bring these rules into line with the rules in force in Great Britain, France, Germany, Italy, the Dominions and the majority of other countries in the world. It was observed that from clauses 377 and 386 of the Indian Post and Telegraph Guide the existing method of counting such combinations was different according as the telegrams were written in code language or in cipher. In the case of code telegrams, there were certain restrictions as to the formation of code words in the text, which must not also exceed 10 letters in length while in the case of cipher telegrams the words might be formed in any way and they were counted at 5 letters to a word.

With a view to adopting a uniform method of counting unintelligible combinations of letters in all telegrams whether in code language or cipher, and in view of the fact that representations had been received from some commercial bodies for modifying the existing complicated rules relating to code language telegrams and abolishing the requirement that vowels must be included in certain proportions in each group of letters, the Indian Telegraph Department proposed to introduce in the Indian inland service the same procedure as was in force in the British Post Office, *viz.*, that all words not forming part of a modern language and all combinations of letters not forming recognisable words should be counted at 5 letters to a word in the text of a telegram. This implied

that unintelligible combinations of letters without any restriction as to their formation, would be accepted in inland telegrams irrespective of their length and would be counted for the purpose of the charge at one word for each 5 letters plus one word for any excess. It would also mean that 'en clair' words of 15 letters would be accepted as one word in *all* telegrams, which under the existing rules were counted at 10 letters to a word in the case of mixed telegrams containing both plain language words and code words.

The Director-General asked for the views of the Chamber on the proposal.

In replying to the Director-General the Committee pointed out that the proposal put before the Chamber was similar to that objected to in 1934 (See Report for 1934, page 195) by this and, as far as the Committee were aware, every other Chamber of Commerce in India, *viz.*, that the length of words in inland telegrams (other than plain language) would be halved without any reduction being made in the rate per word. It appeared that the idea underlying the scheme was to secure uniformity between code and cipher. The Committee felt that such uniformity could be equally well secured by increasing the number of letters under the latter from five to ten, as by reducing that under the former from ten to five. The restrictive rule in regard to vowels could at the same time be dropped.

The Committee added that as was pointed out by the Chamber in 1934 the introduction of the five letter code system was carried in respect of foreign messages at the International Telegraph Conference at Madrid in the teeth of strong opposition not only by the Indian delegation but by the representatives of other leading commercial countries, and the Committee again repeated that they strongly

deprecated any attempt to introduce into India a system which was the object of severe criticism on the part of influential commercial bodies unless the Government of India were prepared to halve the present charge per word.

MUTILATIONS IN INLAND TELEGRAMS.

As several complaints were received from members in regard to mutilations in telegrams despatched to Bombay principally from Delhi but also from Calcutta, Karachi, Simla and Madras, the Committee addressed the Postmaster-General in the matter in August 1935 and asked him to take personal cognisance of the complaints and investigate the cause of so many mutilations in inland telegrams.

The Postmaster-General expressed his regret at any inconvenience and annoyance that members might have suffered through these mutilations and promised to take steps to discover how these errors had occurred and to use his best endeavours to provide a remedy against their repetition.

TELEGRAM RECEIPT FORMS.

(*See Report* 1934, *page* 199).

In the Chamber's Report for 1934 it was noted that the Associated Chambers of Commerce of India had asked for the views of this Chamber on a suggestion of the Upper India Chamber that the time at which telegrams were handed in should be recorded on the receipt issued by the Telegraph Office.

In replying to the Associated Chambers the Committee stated that they understood that the "handed in time" which appeared on telegrams at destination was identical with that which was entered on the telegram by the receiving

clerk at the time of presentation by the sender. That understanding was confirmed by reference to the Postmaster-General, Bombay, and the Committee did not therefore think that there was anything to be gained by having the time of handing in entered on receipts also, since a record thereof was already established under the existing procedure.

The Associated Chambers, however, addressed the Director-General of Posts and Telegraphs and suggested that receipts given for telegrams should contain a record of the time at which the telegrams were handed over at the counter for despatch. The Associated Chambers also suggested that where business justified it cash registers should be installed in all important Central Telegraph Offices in India.

The Director-General in replying to the Associated Chambers regretted his inability to agree to the suggestion that the time of booking should be entered on the telegram receipt form. He added that if it was desired to exercise a check on the movements of a sender's peon or messenger, there was no objection if the sender occasionally enquired from the telegraph office the exact time at which a telegram was booked.

In regard to the suggestion for the introduction of National Cash Register machines the Director-General stated that these machines were used in telegraph offices where the work of the office justified their use.

INDIA-ENGLAND POSTAGE RATES.

In September 1935 the Chamber was asked by the Punjab Merchants' Association whether it would address the Director-General of Posts and Telegraphs with a view to urging the reduction of the postage rates, both for air and ordinary mails, from India to England

The Committee in reply informed the Punjab Merchants' Association that in view of the existing financial position of the Posts and Telegraphs Department, they were not prepared at the moment to support any representation to the Government of India which had for its object the reduction in the existing rates of postage between India and the United Kingdom. At the same time they addressed the European Group in the Central Legislature and suggested that the proposal might be noted in order that it might not be overlooked if and when other and more important reductions in postal charges had been found possible and there was a chance of this further concession receiving consideration as a practical proposition.

VALUABLE PAYABLE POST.

In October 1935 a member requested the Committee to support a representation he had made to the Presidency Postmaster suggesting that a system be introduced whereby a reminder might be sent to the consignee two or three days before the date of expiry in cases where a v.p. package had not been claimed and the cost paid within 15 days of intimation being given to the consignee that the package had arrived.

In reply the Committee informed the member that in their opinion a Post Office had done all that could reasonably be expected of it when it had issued a notice to the consignee intimating the arrival of a v.p. parcel. The Committee were not in favour of supporting a representation which suggested that organization should be provided by a public service in order to guard against possible delinquencies in the offices of those to whom value payable parcels might be sent.

BOOK POST.

In September 1935 the Committee addressed the Postmaster-General, Bombay, informing him that it had been brought to their notice that the Postal authorities in Bombay refused to accept as book-post 18,000 copies of a general circular issued by a member to doctors in India. The main portion of the circulars was the same, the only difference in the copies being the insertion of the name of the addressee. This it was pointed out was done by a modern mechanical process which printed the circulars and inserted a different name on each copy as it passed through the machine. It was understood that the ground on which the packets were declared inadmissible as book packets under Clause 57(7) of the Postal Regulations was that the documents were not *precisely* identical copies in that the name of a person had been added to each of the copies of the printed circular and they thus became "personal" letters and consequently liable to the letter postage.

While admitting that the interpretation placed on the strict wording of the rules by the Postal Department was correct, it seemed to the Committee a shortsighted policy on the part of the authorities to discourage commercial houses taking advantage of modern methods of producing multiple copies of circulars which gave the circulars a more personal appearance than the ordinary printed circulars.

The Committee, therefore, requested the Postmaster-General to use his influence with the authorities at Simla to amend the rules so as to admit multiple copies of circulars such as the one under consideration to the concession rate for "book-post."

The Postmaster-General in reply informed the Chamber that its representation was considered by the Director-General

of Posts and Telegraphs when he visited Bombay in October 1935, and that he (the Postmaster-General) had explained the situation which had arisen in consequence of the adoption by a member of the Chamber of a modern mechanical process which permitted the reproduction of multiple copies of a circular in which it was possible to insert the name of the person addressed simultaneously with the striking off of the body of the circular.

The Postmaster-General stated that while it was not the intention nor in the interest of the Department to discourage the adoption of the most up to date methods of advertising the Director-General felt that the objection already taken to the admission to the post as book packets of the individual and personal communications which the circulars became in the process described above, were valid. It was already a matter of increasing difficulty for post offices to discriminate in handling matter posted at book packet rates between articles which contained an appeal *ad hominem* and those which were *bona fide* book packets and might still assume a very numerous variety of forms in accordance with the provisions of Clause 57 of the Indian Post and Telegraph Guide. The Director-General was of opinion that it would be wrong in principle to extend the latitude already allowed any further and it would affect very seriously the structure and application of clause 59 of the Guide. He considered it would become next to impossible for the postal staff to determine what form of communication posted in open covers would fall into the category of a letter. In the circumstances the Director-General regretted that he was unable to consent to permitting any deviation from the rules and to consider more than had already been allowed namely to despatch circulars addressed, Dear $\frac{\text{Sir,}}{\text{Madam}}$ or other general forms universally

followed in the particular batch of identical circulars issued on which could be impressed simultaneously with the circular being struck off the name and address of the addressee.

The Director-General believed that this should provide for the needs of the generality of advertisers, and would not constitute any obstacle to the employment of advanced methods of reproducing multiple copies of advertising matter in special cases.

Subsequently a copy of the regulations in force in the United Kingdom in the above respect were obtained and were brought to the notice of the Director-General but he refused to modify his attitude in the matter. The United Kingdom regulations permitted (*a*) the inclusion of the name and address of the addressee in circulars sent at the printed packet rate, and (*b*) the letter being commenced with the courtesy phrase of say " Dear Doctor Smith ".

The Committee consequently addressed the Associated Chambers of Commerce of India and suggested that the Government of India might be urged to bring the Indian regulations in respect of " Book Packets " more into line with the regulations in force in the United Kingdom.

AIR PARCEL MAIL.

(*See Report* 1934, *page* 212).

At the annual general meeting of the Associated Chambers of Commerce of India held in December 1934, a resolution was adopted unanimously in the following terms :—

This Association urges the Government of India to make such arrangements with the internal air services in India as are necessary to make it possible for air parcels to be carried by air within India.

The terms of the resolution were duly submitted to the Government of India, Department of Industries and Labour, and a copy was forwarded to the Director-General of Posts and Telegraphs, for consideration.

The Director-General of Posts and Telegraphs in reply stated that the question of making arrangements with the internal air companies for the carriage of parcel mail was under his consideration.

In regard to the question of the inclusion of envelopes of commercial correspondence and other documents in air parcels, the Director-General stated that the limits of weight and other conditions by the ordinary route would apply also to air parcels with reference to Clauses 79 and 232(4) of the Posts and Telegraph Guide, 1924 edition. These sections read as follows :—

Clause 79.—Anything may be sent in a parcel excepting articles the transmission of which is prohibited (see Clauses 96, 97 and 98). A parcel may contain one (but must not contain more than one) written communication of the nature of a letter, or having the character of a personal communication provided that the communication is addressed only to the addressee of the parcel.

Clause 232(4).—Letters, notes or documents having the character of an actual or personal correspondence as well as correspondence of any kind bearing an address other than that of the addressee of the parcel or a person living with him are prohibited from export.

Under the note below the clause last cited it is, however, permissible to enclose in a parcel an open invoice giving the particulars of the contents of the parcel and a sample copy of the address of the parcel with the address of the sender also.

In May 1935 the Committee addressed the Associated Chambers of Commerce of India and stated that from enquiries made by them they understood that as Indian

Trans-Continental Airways, Ltd., did not agree to carry parcels on the Trans-India Service the Director-General of Posts and Telegraphs considered that it was inadvisable to introduce this facility on certain services alone and that his Department had decided to keep the matter pending for the time being. The Committee suggested that the Associated Chambers might ask the Director-General whether he confirmed the above and if so, what were the difficulties with the Indian Trans-Continental Airways, Limited.

The Chamber was subsequently informed that the Indian Trans-Continental Airways, Ltd., were not agreeable to the proposal at the moment owing to the limited carrying capacity of their planes.

BOMBAY - CALCUTTA AIR MAIL SERVICE.

(*See Report* 1934, *page* 205).

It was mentioned in the Report for 1934 that the Associated Chambers of Commerce of India had asked for the views of this Chamber on a suggestion of the Upper India Chamber that the constituent Chambers might support a representation that had been made to the United Provinces Government for the establishment of Cawnpore as the main connecting air port in those provinces (*a*) in preference to Allahabad for the Delhi-Calcutta route and (*b*) in preference to Nagpur in the Central Provinces, for the Bombay-Calcutta route.

In January 1935 the Associated Chambers intimated that the replies received from the constituent Chambers showed the following result. For the proposal, 5 Chambers; against the proposal, 4 Chambers; no views to express 5 Chambers; and no reply received, 1 Chamber.

In the view of the position reflected above the President decided that no further action was possible in the matter.

CIVIL AERODROME AT COLABA.

(*See Report* 1934, *page* 211).

A representative meeting was convened by the Government of Bombay on Wednesday, 27th February 1935, at the Civil Secretariat for the purpose of discussing with the Director of Civil Aviation in India the question of the provision of a civil aerodrome for Bombay on Block No. 7 and part of Block No. 8 of the Back Bay Reclamation Scheme.

The Bombay Chamber was represented at the meeting by the Vice-President, Mr. A. McIntosh.

INDIAN MERCHANT SHIPPING (CONSTRUCTION AND SURVEY OF PASSENGER STEAMERS) RULES, 1934.

On the 22nd December 1934 the Government of India, Department of Commerce, under Notification No. 59-MI (3) 134 published for criticism a draft of certain rules which it was proposed to make under section 145(1) of the Indian Merchant Shipping Act, 1923 (XXI of 1923) in regard to the construction and survey of passenger steamers. A copy of the draft rules was forwarded to the Chamber for opinion by the Principal Officer, Mercantile Marine Department, Bombay District, and was referred to a special Sub-Committee consisting of Messrs. A. W. C. Brown, C. F. Morris, W. O. A. Young, Captain W. A. R. Hancock and the Engineer Superintendents of the British India Steam Navigation Co., Ltd., Messrs. Turner Morrison & Co., Ltd., and the Bombay Steam Navigation Co., Ltd.

In addressing the Principal Officer, Mercantile Marine Department, subsequently, on the lines of the special Sub-Committee's report the Committee stated that they were of opinion that, generally speaking, the draft rules were in line with the Board of Trade Rules but in some cases they appeared to impose unnecessarily burdensome restrictions on an industry which had not yet emerged from the trough of depression and the Committee expressed a hope therefore that it might be possible to secure some relaxation of certain of the rules to which they then drew attention.

A copy of the draft rules and the Committee's comments thereon were placed at the disposal of members interested.

INDIAN PILGRIM SHIPS RULES, 1933.

Draft Amendments.

In May 1935 the Government of India published a draft of certain further amendments to the Indian Pilgrim Ships Rules, 1933, and the Chamber was asked by the Government of Bombay for its views thereon.

After consulting members interested the Committee submitted the following comments :—

Rule 29.—The Committee were of opinion that the provision of electrically operated signals controlled from the *bridge* should only be enforced in new tonnage.

Rule 32.—The Committee were of opinion that while conformance with the proposed amendments would, in all probability, not involve any extraordinary expense in the equipping of new tonnage, existing ships engaged in the carriage of pilgrims would be put to a certain amount of additional capital expenditure to do so. The Committee expressed a hope, therefore, that in construing what is " practicable and reasonable to provide substantial compliance "

in existing ships with the requirements of the amendments, Government would bear in mind that such ships were already overburdened with a capital expenditure owing to frequent additional requirements under rules made in the past. The rule did not give sufficient latitude and it was urged that unless the divergence from compliance with the Rules was very great, exemption should be granted to existing ships within the meaning of the rule. If substantial compliance was insisted on in existing ships a considerable additional capital expenditure must necessarily be incurred and this in turn would necessarily be reflected in the fares charged.

Rule 36 (2).—The Committee felt that the requirements of this rule were theoretically quite practicable but the results of experience of practice musters of male pilgrims were that such male pilgrims were entirely uninterested and made things extremely difficult for a ship's officer. Furthermore, any attempted help by pilgrims would really be a definite hindrance to its proper handling. The Committee were given to understand that members of ship Haj Committees and other influential pilgrims quite commonly considered the mustering of pilgrims for pratice drills an imposition on the pilgrims' freedom or tranquillity. The Committee were of opinion therefore that the second paragraph of sub-section 2 of rule 36 should be deleted as it would serve no useful purpose.

Rule 38.—The Committee felt that with the power operated davits required by Rule 24 (10), lifeboats could be put in the water from the chocks on which they rested on deck as quickly as could be done if they were " slung outboard ". In view of the fact that neither boat davits nor gear could be maintained in the best condition when a boat was " slung outboard " all the time that a vessel was at sea, the Committee

considered that for ships fitted with the abovementioned power operated davits the proposed Rule 38 was unnecessary, and in any case it should be made permissible in such cases and not mandatory.

Rule 54.—In the opinion of the Committee this rule was too vague and they thought it would be advisable for a definite minimum and/or maximum or standard outfit of emergency fire appliances to be required which should be defined on the lines of Rule 49 of the Indian Pilgrim Ships Rules, 1933.

Rule 58 (2).—The Committee were in entire agreement with this rule, but felt that as the shipowner had no right of search before a vessel left port and only a very limited right while on the high seas a clause should be inserted delegating to some responsible authority other than the shipowner or his staff the right of searching pilgrims at the time of embarkation.

In November 1935 the Government of India published a draft of certain further amendments of the Indian Pilgrim Ships Rules, 1933. Members who were consulted in respect of these amendments stated that they had no objection to the draft amendments in principle but suggested certain modifications. The Committee of the Chamber in addressing the Government of Bombay supported these suggestions.

PLAGUE AND QUARANTINE NOTIFICATIONS.

In August 1935 the Health Officer of the Port of Bombay asked for the views of the Chamber on a proposal of the Surgeon-General with the Government of Bombay that the communication to this Chamber and certain other bodies of declarations made by other Governments relating to minor

ports in their Provinces as being affected by or free from certain epidemic disease, might be discontinued.

The Committee informed the Health Officer that they had no objection to the proposal.

PORT SANITARY ADMINISTRATION.

(*See Reports* 1924, *Volume I, page* 253; *and* 1927, *Volume I, page* 189).

In December 1934 the Government of Bombay asked for the views of the Chamber on a scheme for the institution in the larger sea-ports of Port Sanitary Authorities which will be responsible to the Central Government for carrying out its international obligations in those ports as well as for improving their general sanitation. The papers submitted by Government are too lengthy to reproduce here but they may be inspected along with the Committee's reply in the rooms of the Chamber by members interested.

The question was referred by the Committee to a special Sub-Committee consisting of the Chamber's representatives on the Port Trust who had the assistance of Major-General Howard Ensor, C.B., C.M.G., C.B.E., D.S.O., M.D., Surgeon Superintendent, P. & O. Steam Navigation Company and had also been favoured with the views of Lieut.-Colonel A. C. Bilderbeck, I.M.S., Port Health Officer. The report of the special Sub-Committee was adopted by the General Committee and the Government of Bombay was addressed in accordance therewith.

The following is a brief summary of the Committee's comments :—

The Committee agreed that the principle of the proposed legislation was excellent inasmuch as the scheme provided

for the co-ordination for a common purpose of interests which at the moment were independent and might be conflicting.

In regard to the constitution of the Port Sanitary Authority the Committee were strongly of opinion that the Port Sanitary Authority in Bombay should include representatives of (*a*) shipping interests and (*b*) local railways. In confining themselves at this stage to the above general recommendation the Committee assumed that the Chamber would be afforded an opportunity at a later date of expressing its views on the composition of the Port Sanitary Authority to be proposed by the Government of Bombay.

In connection with the question of the jurisdiction of the Port Sanitary Authority the Committee agreed that there should be a well defined physical boundary and they regarded as reasonable the suggestion to include "such docks and wharves and their approaches as may actually be held to form an integral part of the port." The Committee also considered it reasonable and desirable that outside the area of its own jurisdiction the Port Sanitary Authority should be given authority to bring to the notice of the proper local authority any sanitary defect which might affect the health and sanitation of the port area, but the only power that it was proposed to give them with this object was that of deputing the Port Health Officer to make an inspection and report on any such conditions.

In regard to the inspection of vessels the Committee considered that such powers, if conferred, should be confined merely to sanitary inspection of the condition of existing arrangements and there should be no kind of authority to direct structural alterations and so on.

It was proposed that half the cost of the Port Sanitary Authority should be borne by the Central Government and

half by the Port Trust. The Chamber's approval of the proposal to recover half the cost from the Port Trust (*i.e.* from the trade and shipping of Bombay) was conditional on the assumption that the levy would not exceed the contribution already provided by the Port Trust of half the cost of establishment and contingencies of the Port Health Officer.

Towards the end of the year under review the Government of Bombay furnished the Chamber with statements giving figures showing the extra cost, both recurring and non-recurring, likely to be involved by the constitution of a Port Sanitary Authority in Bombay. At the time of writing this report these statements were under examination by the special Sub-Committee of the Chamber in consultation with the Bombay Port Trust.

WORKING HOURS IN THE BOMBAY DOCKS.

In October 1935 the Manager of the Bombay Port Trust Docks asked for the views of the Chamber on a proposal which had been received by the Chairman of the Port Trust that the working hours of the Port be reduced from the present nine hours (8-0 a.m. to 12-30 p.m. and 1-30 p.m. to 6 p.m.) to eight hours, by cutting off half an hour at the beginning and end of the day.

After carefully considering the question in consultation with the various Sub-Committees of the Chamber representing the import, the export and the shipping trades of the port generally, the Committee informed the Docks Manager that the members of these Sub-Committees were unanimously against the proposal, as they felt that any shortening of the hours of work in the Docks could only have the effect of increasing the expenses of this port, and tend to add to the difficulty already experienced in competing with other ports

on the West Coast of India. As it was, certain members of the Chamber were complaining of the high shipping charges in Bombay as compared with those in force in other ports, and evidence was not lacking that these high charges were already drawing trade away from Bombay.

The Committee felt that the time could hardly be less opportune for such a proposal, from every point of view, and not least because any action tending further to increase the charges of the port would undoubtedly re-act to the detriment of the Dock labourers themselves.

MUNICIPAL WHEEL TAX.

Towards the end of October 1935 the Committee addressed the Municipal Commissioner pointing out that they had been informed that of the 6,900 schedules issued during the quarter ended 30th June 1935, only 3,918 had been returned by the 1st October and it seemed therefore that there was considerable evasion of the wheel tax, or that the methods employed for its collection by the Municipality were by no means fully effective. With the object of suggesting means of preventing the evasion of taxation to such a serious extent the Committee submitted for the consideration of the Municipal Commissioner certain proposals for the improvement of the existing method of collecting this tax.

The Committee understood that the Municipal Collector of Taxes received daily from the office of the Commissioner of Police a list of the fresh car registrations in Bombay and that, on the basis of the information contained in this list, Ward Inspectors left notices (called schedules) at the addresses of those who had registered cars. In the event of the schedules not being filled in and returned within a specified time the Ward Inspectors paid further calls upon the party to

be assessed to tax, but the results were not very successful as the figures quoted above showed.

The first suggestion the Committee offered was that the schedules should be discontinued and that an assessment should be made out based on the information contained in the copies of registrations received from the Police. Secondly, the Committee saw no necessity for demanding that motor car owners should fill in a schedule each quarter. Here again, an assessment could be sent out based on the tax paid in the previous quarter. In both the above cases, assessments should be sent by post, registered for acknowledgment, with a demand that the amount should be paid into the Municipal Office within a reasonable period. In the event of payment not being received within the time stipulated, a final reminder should be posted giving the assessee a further 15 days in which to pay the tax. No further reminders should be sent and legal proceedings should immediately be instituted against parties who had failed to pay. Provision should be made for an appeal against the assessment on the grounds of inaccuracy, provided the appeal was lodged within a specified time, but the Committee felt that legal action taken against a few persons would result in surprisingly better collections of the tax, with less trouble and expense to the Municipality.

PROPOSED MILCH CATTLE STABLES AT DHARAVI.

In June 1935 it was brought to the notice of the Committee that there were certain proposals before the Municipal Corporation for the establishment of milch cattle stables in the Dharavi tanneries area.

After considering the question in all its aspects the Committee unanimously agreed to ask the Chamber's representative in the Municipal Corporation to oppose the proposal.

The question was referred by the Municipal Corporation to a Special Sub-Committee who recommended that no new milch cattle stables should be constructed in the Dharavi area. The recommendation of the Special Sub-Committee was adopted by the Corporation at a meeting held on the 19th December 1935.

SICKNESS INSURANCE.

In May 1935 the Commissioner of Labour forwarded to the Chamber a copy of a letter that had been addressed by the Government of India to all Local Governments and Administrations on the subject of framing a scheme of sickness insurance for industrial workers in India.

The Government of India pointed out that the subject of sickness insurance was discussed by the Royal Commission on Labour in India at pages 265-269 of their report. The Commission held that the situation called for the exploration of all methods that might lead to the alleviation of the hardships due to the absence of an insurance scheme. They recognised that the statistical material available was insufficient, and recommended that special enquiries should be instituted at selected centres as soon as possible. These preliminary enquiries were to be conducted by the Government of India with the assistance of a small informal Committee drawn from the Central Legislature. The Committee, aided by medical, actuarial, and statistical experts would, it was thought, be able to advise as to the nature of the statistics required, the centres where they might be collected, and the means whereby they should be obtained. It was only when these preliminaries had been completed that the question of framing schemes could be examined.

This recommendation had been examined in consultation with the Standing Committee of the Central Legislature attached to the Department of Industries and Labour of the Government of India. The Committee had the assistance of the Public Health Commissioner on the medical aspects and in considering the form in which the statistics should be collected, the Government of India were able informally to secure the advice of the Government Actuary's Department in London. The advice given indicated that an elaborate analysis would be required, over a series of at least five years, of the experience as regards sickness and employment of a representative sample of the industrial population. The requisite statistics would have to be collected on "experience cards" to be completed for each individual worker in the sample by a large number of employers throughout the country.

The Government of India stated that the proposals of the Commission were not free from ambiguity. The Commission evidently had in view the possibility of the ultimate establishment of a comprehensive scheme applicable to the workers employed in organised industry, and believed that any such scheme would have to be based upon the statistical enquiry which they recommended. But they attached great importance to actual experience and suggested "A Tentative Scheme" applicable to single establishments which might have been designed to afford a practical test of the statistical material or might, on the other hand, have been intended for independent adoption. The Government of India observed that whatever the Commission intended there was in fact no reason why tentative schemes of the kind they suggested should await a statistical foundation. Such schemes as were contemplated on pages 268-9 of the

report of the Royal Commission on Labour in India could be introduced wherever medical facilities were or could be made available, provided that the employers and the workers were willing to make the necessary contributions.

It was considered that the statistical enquiry was thus not the only possible method of approach to the problem, and for the following reasons the Government of India doubted whether any advantage was to be gained by proceeding with it:—

(*a*) The maintenance of the experience cards would be a difficult and probably a costly task, which it would be impossible to prevail upon employers to undertake;

(*b*) Even if the administrative and financial difficulties were overcome, statistical results obtained in the absence of benefits would be extremely unreliable because there would be no effective check on their accuracy;

(*c*) So far as the Government of India were aware, no local Government or large body of employers was at the moment likely to institute any comprehensive scheme;

(*d*) Even if there were a prospect of a comprehensive scheme being undertaken, it would be a sounder and quicker method of proceeding to institute small empirical schemes, and to build on experience rather than on theory.

The Government of India asked for the views of Local Governments on the feasibility of a statistical enquiry of the kind contemplated by the Commission, and on the alternative possibility of building on the actual experience gained in the operation of small experimental schemes. With a view to assessing the extent and value of the material already available the Government of India asked for detailed information of any schemes actually in operation in industrial establishments which involved the payment of financial benefits.

After carefully considering the whole question in consultation with the Labour Sub-Committee of the Chamber

the Committee in replying to the Commissioner of Labour pointed out that apart from the economic effect of all the other industrial legislation which had been introduced in recent years in this country, conditions of labour in India and particularly the mental equipment and outlook of the labourer, made the adoption of a scheme of contributory health insurance altogether premature. Even in the United Kingdom with all its highly scientific industrial organisation such legislation had been in force for only about 20 years and the present proposal seemed to be a further attempt to impose on India an imitation of the British model for which she was not ready. The Committee were definitely of the opinion that a scheme of sickness insurance would not work satisfactorily in India and they considered that the introduction of any such scheme should be withheld until such time as it would be possible to gauge the effect of the existing welfare work which had been introduced so rapidly in recent years especially into the local cotton textile industry. In this industry practically all mills gave free medical attendance, and in most cases to the families of the workers as well. Above a certain grade, leave from 15 days upwards was given on full pay and in addition the Maternity Benefits Act was in force in this Presidency. It was mentioned, incidentally, that the latter Act was not, even now, known fully to female operators and cases occurred regularly where applications for benefits were not made and the mills were unaware of the cases. It was pointed out to the Committee that at the moment it was dearer to produce cloth in Bombay than in Lancashire and an analysis of costs showed that in spite of sickness and unemployment insurance being a direct charge on the industry in Lancashire, much of the increased cost in India was made up of extra charges including housing, welfare work, etc., most of which was provided by the State

in Lancashire. In this connection the Committee forwarded a statement showing the welfare work done in one of the larger groups of mills as indicative of what was already being done on a voluntary basis by the Bombay mill industry.

In regard to the statistical enquiry proposed by the Whitley Commission the Committee were strongly opposed to any suggestion of an elaborate and undoubtedly expensive statistical enquiry. They were of opinion that if it was thought necessary that the way should be felt towards the possible introduction of a general insurance scheme, this should be done by experiments on a small scale. As the Government of India had suggested, such empirical schemes would be sounder and more quickly brought into operation. At the same time they would afford the experience necessary on which gradually to build a more comprehensive scheme should, eventually, this be considered practicable. It was suggested that the experiment might first be tried either in some of Government's own industrial establishments or in selected private establishments which might be willing to make a trial, in which case they should be entitled to ask for assistance, financial as well as advisory, from Government. This would mean, of course, that the industry would in the long run still pay but the incidence would be spread.

In conclusion the Committee stated that they were not aware of any definite scheme of sickness insurance as such in operation in any local industry in this city which involved the payment of financial benefits.

WORKMEN'S COMPENSATION ACT.

Defence under Section 3 (1) b (*ii*).

In a case contested before the Commissioner for Workmen's Compensation, Bengal, where the defence of "wilful

disobedience to an order expressly framed for the purpose of securing the safety of workmen" under section 3 (1) *b* (ii) of the Workmen's Compensation Act, was invoked, the Commissioner, in the course of his judgment, stated that "it is not sufficient merely for the employers to have rules in these matters, nor is it sufficient even for them to see that each worker knows of the rule. For the onus is on the employer to see that his rules are obeyed. It may be that this will add to the duties of the supervisors but it is unavoidable." Hitherto for the employer to succeed in his defence under the above section of the Act, it had been sufficient (1) to prove that the worker committed a breach of the rule framed for the purpose of securing the safety of workmen, (2) to prove the existence of the rule, and (3) to prove that the workers knew the rule. The question had been raised whether the Commissioner's decision that the onus lay on the employer to see that his rules had been obeyed, and the corollary that the employer would have to produce evidence that he had enforced and had never condoned breaches of the rules, were correct legally and enforcible by him. As this point was of considerable importance to employers, owing to the scales of compensation payable under the Workmen's Compensation Act being materially increased from 1st July 1934, and it appeared to the Committee of the Bengal Chamber that, no matter what steps an employer might take to enforce rules and carry them out, he was entirely dependent on the workers' co-operation, the Committee of that Chamber decided to obtain Counsel's opinion on the question whether this ruling of the Commissioner was correct legally and enforcible by him.

In December 1934 the Associated Chambers of Commerce of India forwarded to this Chamber a copy of the opinion

of Counsel in which the latter remarked *inter alia* that he was not prepared to advise, without qualification, that the learned Judge's statement of the law was wrong but he thought that it would be accurate to say that the learned Judge used phraseology which might be construed as holding that the duty of the employer was more onerous than that imposed on him by law.

For purposes of record the opinion of Counsel is printed in full in the Appendices to this report.

WORKMEN'S COMPENSATION ACT.

Liability of Employers for Injuries arising out of Earthquake.

(*See Report* 1934, *page* 247.)

It was mentioned in the Chamber's Report for 1934 that the Committee had informed the Associated Chambers that they had no objection to the Association making a representation to the Government of India urging the necessity for legislation to make it clear that accidents caused by or arising out of earthquake or other convulsions or forces of nature, unless it could be proved that the nature of the employment itself involved some special exposure to such risks and that the accident arose out of such special exposure, were definitely excluded from the operation of the Workmen's Compensation Act. The Chamber was informed later that the Associated Chambers had addressed the Government of India on the lines suggested.

In January 1935 the Government of India informed the Associated Chambers that they had examined the suggestion with care but did not consider that there was sufficient cause for modification of the central criterion of the Indian and of many other Workmen's Compensation Acts, *viz.*, the ordinary

doctrine of special risks which involved the grant of compensation where the accident was connected with or was attributable to a special risk which the workman had to face by reason of the environment in which he had to work. On the contrary the Government of India believed that the attempt to modify this criterion in the manner suggested by the Associated Chambers would be productive only of hardship and confusion.

In May 1935 the Committee were informed by the Bombay Accident Insurance Association that the Accident Offices Association in London having endeavoured to point out to the Government of India the position in which employers would be placed in the event of an earthquake the offices, as insurers, felt that they could do no more in this direction. They were further of the opinion that the earthquake risk was an added liability which had never been contemplated and that the risk should therefore be considered as a separate factor when the experience of the first year's working under the revised Act was under review.

The Chamber was at the same time informed by the Associated Chambers that having regard to the terms of the letter from Government the majority view of the constituent Chambers was that no useful purpose was likely to be served by making further representations. In these circumstances it was decided to allow the correspondence to lapse at that stage.

WORKMEN'S COMPENSATION FOR OCCUPATIONAL DISEASES.

In June 1935 the Commissioner of Labour, Bombay, asked for the views of the Chamber as to the advisability

of including all or any of the following diseases in Schedule III of the Workmen's Compensation Act:

(1) Silicosis; (2) Arsenic Poisoning ; (3) Poisoning by the halogen derivatives of hydrocarbons of the aliphatic series; (4) Pathological manifestations due to radium and other radio-active substances or to X-Rays; (5) Primary epitheliomatous cancer of the skin.

After consulting the Labour Sub-Committee of the Chamber the Committee submitted the following comments:

(1) *Silicosis.*—It would appear that the incidence of this disease was mostly confined to workers engaged in rock boring. The Committee considered, however, that the disease should be included in the Schedule.

(2) *Arsenic Poisoning* should be included in the Schedule.

(3) *Poisoning by the halogen derivatives of hydrocarbons of the aliphatic series.*—As far as the Committee were aware the mixing of Lead Tetra-Ethyl with aviation spirit was not done by any oil company in Bombay. The Committee were informed that it was done in Karachi. Owing to the great danger of poisoning the process was carried out under strict rules laid down by the Ethyl Export Corporation. The Committee considered that the disease mentioned in paragraph 3 (3) of the letter from the Government of India should be included in the Schedule.

(4) *Pathological manifestations due to radium and other radio-active substances or to X-Rays.*—The incidence of this disease would be confined almost entirely to unskilled workers in hospital and the Committee considered it should be included in the schedule although it was possible that cases would be rare.

(5) The Committee believed that known cases of *epitheliomatous cancer* of the skin were rare and that with ordinary care this disease could be avoided. They considered, however, that it should be included in the Schedule.

In November 1935 the attention of the Committee was drawn by certain insurance members of the Chamber to the fact that as silicosis was of very gradual onset and as it could be contracted in diverse processes it had been decided in England to make provision for cases where death or disablement was caused by silicosis contracted during employment, by means of a special scheme quite distinct from the scheduled diseases under the Workmen's Compensation Act. The Committee were informed that unlike the majority of industrial diseases silicosis seemed to be more widespread than was ever imagined, and whereas statistics might be produced, as they were in England, to show that few cases of occupational silicosis were known, except in the metal grinding industry where the incidence of the disease was known to be severe, it was found that when benevolent legislation was introduced and disablement qualified for the payment of compensation, large numbers of men who were labouring under physical disability as the result of silicosis, at once became pensioners.

It appeared that the tendency in England was to extend the scope of the scheme from one industry to another and it already applied to metal grinding, the refractory industries, the sandstone industry, hematite iron ore-getting and other various industries in which silica is handled. Even now, however, there was no assurance that further extensions were not imminent and there were demands that silicosis should be recognised as a vocational disease amongst iron and steel workers.

In addressing the Commissioner of Labour on the above lines, the Committee submitted a note giving a summary of the special legislation that obtained in Great Britain dealing with compensation to sufferers from silicosis. From this it appeared that in Great Britain the special rules were contemplated as soon as silicosis was admitted on the schedule of the Workmen's Compensation Act and that such rules were prepared later and were being enforced.

The Committee asked the Commissioner to inform them of the terms in which the Government of Bombay had replied to the Government of India's letter of the 15th May 1935 and in particular whether the local Government had suggested any special conditions to be attached to the scheduling of this disease.

THE HAZARDOUS OCCUPATIONS (LEAD AND LEAD COMPOUNDS) RULES, 1935.

(*See Report for* 1934, *page* 77.)

It was mentioned in the Chamber's Report for 1934 that the Government of India under Notification No. L 3050, dated the 20th September 1934, published in the *Gazette of India* of the 22nd September 1934 a draft of certain rules which it was proposed to make in exercise of the powers conferred by Sub-section (4) of Section 33 of the Factories Act, 1934. A suggestion was made by a member that the application of Part II of the schedule was somewhat wide and indeterminate and the Committee consequently asked the Government of India to clarify the position.

As the Committee understood it Part II of the Schedule was intended to cover any use of lead compounds not specifically enumerated in Part I and they enquired whether this was the case. They also enquired whether "an

operation involving the use of lead compounds" would be held to cover painting in a factory.

In replying to the Chamber's enquiry the Government of India stated that the draft rules reproduced the substance of section 19B of the Indian Factories Act, 1911 and of the Schedule referred to in that section. The drafting under section 33 (4) of the Factories Act, 1934, of rules including new and possibly controversial matter would necessarily take some time and the intention of the Government of India was to maintain for the present, in the form of rules, the statutory provisions for the protection of women and young persons from lead poisoning which had been in force for the past twelve years.

Government added that Part II of the Schedule was intended to cover any operation involving the use of lead compounds other than the operations specified in Part I.

The term "lead compound" was not defined in the Indian Factories Act, 1911. Provision for a definition was included in the Women and Young Persons (Employment in Lead Processes) Act, 1920, in force in the United Kingdom, and it had been suggested to the Government of India that a definition should be included in the rules to be made under section 33 (4) of the Factories Act, 1934. As the draft rules stood Part II of the Schedule would probably be taken to include all substances containing lead, and as the section under which the rules were to be made referred to operations (whether "manufacturing processes" or not) in which persons (whether "workers" or not) were employed, the effect of the draft rules would be that women, adolescents and children employed in a factory upon an operation involving the use of paint containing lead would be subject to the provisions of draft rules 4-11.

After consulting the Labour Sub-Committee who had the advantage of discussing the draft rules with the Chief Inspector of Factories, Bombay, the Committee, in replying to the Government of India stated that it appeared to them that the extension of the new Rules to embrace "any other operation involving the use of lead compounds", read with the suggestion that Part II of the Schedule would probably be taken to include all substances containing lead, would greatly extend the application of the rules. A large proportion of paint used for the protection of ships contained lead compounds and was applied by adolescents who would thus come within the scope of the new rules. The Committee understood that the application of these rules, particularly rules 6 and 10, to adolescents engaged in painting ships might diminish their opportunities of employment.

The Chief Inspector of Factories had stated that in his opinion the danger of lead poisoning, particularly to women and adolescents, was a real one, and that he was not prepared to forego the extensive powers conferred on him under Part II of the Schedule. He undertook, however, to use these powers reasonably and to introduce gradually any changes that might be necessary. The Committee were prepared to accept the explanation of the Chief Inspector of Factories and were satisfied with the assurance that he had given, but they were strongly of the opinion that a definition of "lead compound" should be inserted in the Act or in the Rules under the Act.

The Rules were published in their final form in Part I of the *Gazette of India* dated 23rd February 1935. The final rules contained a definition of "lead compound," while Part II of the Schedule to which objection was taken was deleted.

AGRICULTURAL INDEBTEDNESS.

(*See Reports* 1917, *Vol. I, page* 38; 1928, *Vol. I, page* 40; 1932, *page* 252; 1934, *page* 71.)

At the annual general meeting of the Associated Chambers of Commerce of India held at Calcutta on the 17th and 18th December 1934, a resolution was adopted unanimously in the following terms :—

> In view of the all-India importance of the relations between debtor and creditor, this Association recommends to the Government of India that a conference of representatives of Provincial Governments should be called forthwith to co-ordinate all measures, legislative or otherwise, designed by Provincial Governments to effect the relief of the indebtedness of the agricultural population and that in view of its possible repercussions on commercial interests, representatives of Chambers of Commerce should be associated with the conference.

A copy of the resolution, together with a copy of the report of the discussion that preceded its adoption, was forwarded to the Government of India, Finance Department, and to all Local Government for consideration.

The Government of India in replying to the Associated Chambers stated that it was just over a year since the Government of India held a conference of representatives of Provincial Governments as a result of which they decided that each province should be allowed to deal with this matter on its own lines. In pursuance of that decision some provinces had already passed legislation, and in some cases that legislation had not yet been put into effect. The Government of India therefore considered it premature to take up the question of a further conference at the present juncture or until experience of the working of the new legislation in the different provinces lent support to the view that a further conference was likely to be of some real use.

In April 1935 the Associated Chambers enquired whether this Chamber had any criticisms to offer in regard to the Government of India letter.

The Committee addressed the Government of Bombay in the matter and were informed that in the Bombay Presidency the Deccan Agriculturists Relief Act was already in force which covered a good many of the objects which the new legislation for the relief of agricultural indebtedness in other provinces had in view. The Government of Bombay were averse to introducing or according support to any fresh legislation aiming at interference with private contracts and the ousting of the jurisdiction of civil courts. In accordance with the recommendations of the Land Mortgage Committee the Government of Bombay decided to establish additional land mortgage banks. As regards the desirability of further early co-ordination between provinces, the Government of Bombay agreed with the view of the Government of India that it was premature to take up the question of a further conference at the present juncture.

In passing on to the Associated Chambers the purport of the letter from the Government of Bombay, the Committee mentioned that a private Bill was introduced in the Bombay Legislative Council in 1934 for the purpose of regulating the money-lending business. The Bill was however thrown out. In commenting on this Bill the Committee of the Chamber informed the Government of Bombay that they considered that the question of regulating the money-lending business was too important a matter to be dealt with in a private Bill and that it was for Government to introduce the best possible measure after full examination of the whole question by their experts. In replying to the Chamber's enquiries as to what progress had been made in this connection

the Government of Bombay stated that they were at the moment watching the working of legislation regarding the control of money-lending business introduced in other provinces with a view to deciding whether a similar measure could be enacted for the Bombay Presidency with beneficial results.

The Chamber was informed later by the Associated Chambers that having regard to the terms of the Government of India's reply the majority of the constituent Chambers were of opinion that no useful purpose would be served by pressing the matter at this stage and that in view of the decision to deal with the question of agricultural indebtedness provincially, the Chambers could only await developments resulting from this decision. In these circumstances, and as the Punjab Chamber which sponsored the resolution, had no comment to offer on the Government of India's letter, the President decided to take no further action in the matter.

EXEMPTION OF SALARY AND WAGES FROM ATTACHMENT.

(*See Report* 1933, *page* 297.)

In May 1935 the Commissioner of Labour, Bombay, asked for the views of the Chamber on the provisions of a Bill which was introduced in the Legislative Assembly on the 18th February 1935, for the purpose of amending the Code of Civil Procedure, 1908 (Bill No. 11 of 1935).

The Royal Commission on Labour drew attention to the indebtedness prevailing among certain classes of workers, and expressed the view that this was due mainly to the credit enjoyed by them and the facilities afforded to creditors by the law relating to the attachment of salaries.

With a view to reducing credit, the Commission recommended that wages and salaries of workmen receiving less than Rs. 300 a month should be entirely exempted from attachment. Enquiries made by the Government of India, in consultation with Local Governments, afforded justification for action on the lines suggested by the Commission and in particular revealed a serious state of indebtedness among certain classes of Government employees. The Government of India therefore proposed to amend section 60 of the Civil Procedure Code to provide (1) that salaries, not exceeding Rs. 100 a month, of all workers should be totally exempt from attachment, (2) that the pay of servants of Government, Railway Companies and local authorities getting more than Rs. 100 a month should be exempt to the extent of the first Rs. 100 and one-half of the remainder, and (3) that while the attachable portion of the pay of servants of Government, Railway Companies and local authorities should remain as at present liable to continuous attachment, the period of attachment should be restricted as follows, *viz.*, that after a debtor's pay had been attached for a total period of two years (in one or more periods) no further attachment should be possible in favour of the same decree or in favour of any other decree until twelve months had elapsed.

The Bill sought to give effect to these proposals. It also took away the privileged position of Co-operative Societies under the proviso to sub-clause (*iii*) under clause (*i*) of the proviso to sub-section (1) of section 60 of the Code as in the opinion of the Government of India it was unnecessary to continue that privilege.

Under sub-clause (*h*) of the proviso to sub-section (1) of section 60 of the Code of Civil Procedure, 1908, leave allowances if less than salary were exempt from attachment,

but under sub-clause (i) leave allowances, if equal to salary on duty, were liable to attachment. Since the introduction of time-scales of pay in the Services, this had created an anomalous position, for if an officer drawing pay on a time-scale proceeded on leave before reaching the maximum of the scale the whole of his leave allowance, being less than his salary on duty, was exempt from attachment, while if he went on leave after drawing the maximum pay of the scale for over a year, the whole of his leave allowance, being equal to his salary on duty, would be liable to attachment. It was accordingly proposed to place leave allowances and salary on duty in exactly the same position as regards attachment. At the same time the Bill gave to the Governor-General in Council power to exempt certain allowances from attachment, the object being to enable him to exempt certain compensatory allowances granted for specific purposes.

The Bill also provided that the amending legislation should apply to all suits instituted on or after February 1st, 1935.

After carefully considering the provisions of the Bill in consultation with the Labour Sub-Committee the Committee informed the Commissioner of Labour that it was their unanimous opinion that the proposed legislation should be directed to the removal of any distinction between the rights and the liabilities of Government servants, and those of private employees, in respect of attachment of salaries. The Bill as drafted appeared to perpetuate a distinction in that it was only in the case of Government servants that the amendment by section 2 of section 60 (1) (i) of the Code of Civil Procedure, 1908, was to apply. This amendment provided that, where salary exceeded Rs. 100 monthly, the first Rs. 100 should be immune from attachment, and one-half of the

remainder. The Committee considered that this was a salutary provision, and they were strongly of opinion that it should be applied to all classes of salary or wage earners without distinction. They were somewhat at a loss to understand the suggestion which they read into the Government of India's letter that the Government of India were apparently prepared to consider the abandonment of all restriction on the amount attachable, including presumably the lower limit of Rs. 40 for which the existing law provided.

The Committee considered further that the provision in section 2 for restriction of the period of attachment should likewise not be limited in its application to the servants of Government, railway companies, and local authorities.

The Committee understood that the total exemption from attachment of salaries not exceeding Rs. 100 monthly was intended to apply to all classes of employees, industrial agricultural, domestic or of any other nature, and without differentiation between Government servants and those in the service of private employers. With this they fully agreed.

There was a further distinction in this matter between Government and other employees which the Bill did not propose to adjust. Under the existing law the salary of a private employee could, it appeared, be attached only after it became payable. That of a Government servant could be attached at any time. In this respect the latter was clearly at a disadvantage and the Government of India contemplated the possibility of amending the Bill so as to provide that in this respect he might be given the same protection as the private employee.

The Committee were definitely of opinion that the existing inequality should be removed, but by the reverse process.

While anxious to discourage in every legitimate way the opportunities of the money lender, they considered that the interests of legitimate creditors should not be overlooked, and they recognised that attachment, which could be made only after salary was due, was of very little practical value save in the case of employees the actual payment of whose salaries was deferred beyond the date at which they became due. They therefore recommended that (subject to the specified limits of exemption) the salaries of private, as of Government employees, should be made liable to attachment before they became payable.

ARREST AND IMPRISONMENT FOR DEBT.

(*See Report* 1933, *page* 296.)

A Bill was introduced in the Legislative Assembly on the 18th February 1935 with the object of amending the Code of Civil Procedure 1908. The Bill was the outcome of the recommendations of the Royal Commission on Labour in India to the effect that in the case of industrial workers in receipt of wages of less than Rs. 100 a month arrest and imprisonment for debt should be abolished except where the debtor had been proved to be both able and unwilling to pay. The Bill sought to amend the Civil Procedure Code, 1908, so as to protect honest debtors of all classes, and not of the industrial worker class only, from detention in a civil prison and to confine such detention to debtors proved to be recalcitrant or fraudulent. It provided *inter alia* that no order for execution by detention in prison should be issued unless the debtor had been given opportunity of showing cause why he should not be committed to prison and the Court was satisfied for reasons recorded in writing that (*i*) the debtor was likely to leave the local limits of the

jurisdiction of the Court, or had, after the institution of the suit, fraudulently disposed of his property, and (*ii*) that he was able to pay the amount of the decree otherwise than from protected assets. The Bill applied to all judgment-debtors. After consultation with Local Governments the Government of India decided that in this matter there was no sufficient reason for restricting the protection to small debtors.

After consulting the Labour Sub-Committee, the Committee informed the European Group in the Central Legislature that they desired to support the Bill.

PAYMENT OF WAGES BILL.

(*See Reports* 1926, *Volume I, pages* 66 *and* 69; 1933, *page* 289.)

In 1926 the Government of India addressed Local Governments with a view to ascertain the position with regard to the delays which occurred in the payment of wages to persons employed in industry, and the practice of imposing fines upon them. The investigations revealed the existence of abuses in both directions, and the material collected was placed before the Royal Commission on Labour which was appointed in 1929. The Commission collected further evidence on the subject, and the results of their examination, with their recommendations, will be found on pages 216-221 and 236-241 of their Report. The Government of India re-examined the subject in the light of the Commission's Report and in February 1933 a Bill embodying the conclusions then reached was introduced and circulated for the purpose of eliciting opinion. A motion for the reference of the Bill to a Select Committee was tabled during the Delhi Session of 1933-34, but was not reached and the Bill lapsed. A further Bill based upon the same principles as the original

Bill but revised throughout in the light of the criticisms received when the original Bill was circulated, was introduced in the Legislative Assembly on the 13th February 1935.

The Bill was considered by the Committee of the Chamber in consultation with the Labour Sub-Committee and in addressing the European Group in the Central Legislature in regard to the Bill they drew attention to the fact that Government had not accepted the amendment suggested by the Chamber in 1933 whereby in computing the limit of seven days within which payment should be made non-working days should be excluded. The Committee, in emphasizing the practical difficulties involved in the proposal of the Government of India mentioned as an example that in the month of January 1935 the 1st, 6th and 7th were factory holidays. This left the employer only 5 days instead of the proposed statutory seven days in which to get out wages. In the month of September the 1st, 2nd, 6th and 7th were factory holidays leaving only 3 days in which to get out wages. Section 16 (1) provided that any employer contravening section 5 should be punishable with a fine which might extend to Rs. 500 and section 12 (3) provided for an additional fine of Rs. 10 per head for every workman whose wages had not been paid. It was true that section (5) 3 provided that the local Government might, by general or special order, exempt such employers to such extent and subject to such conditions as it might think fit, and it might be possible to obtain extension of the statutory 7 days in these cases, but this left the employer in a state of uncertainty and entirely at the discretion of the local Government.

The Committee expressed the hope that the Group would press for the amendment of Section 5 (1) on the lines indicated above when the Bill came before the Assembly.

The Bill was referred to a Select Committee of the Legislative Assembly who submitted their report in June 1935. In view, however, of the large number of amendments that were subsequently tabled consideration of the Bill was postponed until the January 1936 session of the Legislative Assembly.

HOLIDAYS WITH PAY.

In April 1935 the Commissioner of Labour forwarded to the Chamber a copy of a letter that had been addressed by the Government of India to all Local Governments and Administrations intimating that the subject of "Holidays with pay" would come up for first discussion at the 19th session of the International Labour Conference in June 1935 and that if the Conference decided that the matter was suitable to form the subject of a draft Convention or Recommendation, it would determine the points on which the Governments of the Member States should be consulted. The views expressed by the Governments on those points would then form the basis of the second and final discussion. It was added that the proposals to be put before the Conference at its next session contemplated :—

(*i*) That annual holidays with pay should be granted to workers other than those engaged in agriculture or shipping;

(*ii*) That a minimum period of service under one employer should be prescribed after which a worker would be eligible for "Holidays with pay," special provision being made for seasonal workers and those engaged in other occupations, *e.g.*, the building trades, where frequent changes of employers were the rule; and

(*iii*) That the period of the holiday and the pay to be granted to the workers during holidays should be fixed on some definite basis.

The Royal Commission on Labour considered the question of holidays for factory workers on pages 26 and 27 of their Report and made two Recommendations, Nos. 4 and 5, in this connection. The Government of India had adopted the principle underlying these recommendations in dealing with their own industrial employees and had found it of advantage from the point of view of increased efficiency. They recognised that, in view of the migratory character of much Indian labour, there were administrative difficulties in applying generally any compulsory scheme to private factories or other establishments. Moreover, in consequence of the high rate of turn over in many industries and establishments, the result of a scheme on the lines contemplated might be a general lowering of wages and a comparatively heavy tax on industry for the benefit of a limited number of workers. On the other hand, the provision of holidays with pay, if these were conditional on regular attendance for a reasonable period, might have appreciable effects in reducing turn over and encouraging more steady work. In view of the importance of the subject, the Government of India asked to be furnished with detailed information of any action taken by leading employers on Recommendations 4 and 5 of the Royal Commission on Labour. They also asked for the views of Local Governments on the practicability and desirability of the proposals mentioned in the preceding paragraph; and on the attitude to be adopted when the proposals came up for final discussion by the Conference of 1936.

The Commissioner of Labour forwarded a questionnaire containing specific points relevant to the proposals in question and asked that the views of the Chamber might be classified under the various points in the questionnaire.

After consulting the Labour Sub-Committee of the Chamber the Committee submitted the following answers to the questionnaire :—

QUESTION.	ANSWER.
Q. No. 1.—Do you agree that annual holidays with pay should be granted to workers other than those engaged in agriculture or shipping ?	*A. No.* 1.—We are in agreement that on humanitarian grounds, annual holidays with pay should be granted to workers but we do not think the system is suitable for general application in India at present.
Q. No. 2.—What form should the international regulations on the subject take : a Draft Convention or a Recommendation ? (*Note.*—A Draft Convention constitutes a binding international obligation and a Member-State ratifying it has to report yearly to the International Labour Office on the measures taken by it to fulfil the obligation ; whereas there is no such obligation to be discharged in respect of a Recommendation.)	*A. No.* 2.—The International Regulations should take the form of a " Recommendation."
Q. No. 3.—Do you think that the following definition would be satisfactory ? " The term ' annual holidays with pay for employed persons ' signifies a number, which shall be determined in advance, of consecutive days, other than public holidays and days of sickness and convalescence, during which each employed person who has fulfilled certain conditions in respect of service ceases work every year while continuing to receive his habitual remuneration."	*A. No.* 3.—We approve the definition.
Q. No. 4.—What classes of undertakings should be included and what classes of workers or undertakings excluded from the scope of the regulations ?	*A. No.* 4.—The Regulations should be applied generally but we recognise that there may possibly be some classes of workers and/or undertakings

QUESTION.	ANSWER.
	which will have to be excluded from their scope but these can be ascertained by circulation if and when legislation is contemplated.
Q. No. 5.—(*a*) Do you consider that the right to a holiday should be made conditional on completion of a minimum uninterrupted period of service by the employed person with the same employer ?	*A. No.* 5.—(*a*) Yes.
(*b*) If the answer to (*a*) be in the affirmative, what should be the length of the minimum period?	(*b*) Twelve months.
(*c*) What other conditions do you think should be included in the international obligations ?	(*c*) We consider that the occasion of the holiday should be fixed by the employer and should be within the first three months of the leave becoming due.
(*d*) What special provisions would you suggest for seasonal workers and those engaged in building trades and other occupations where employment is intermittent ?	(*d*) We are of opinion that seasonal workers and those in intermittent employment should be excluded from the scope of the Regulations.
Q. No. 6.—(*a*) What should be the length of the holiday corresponding to the minimum period of service ?	*A. No.* 6.—(*a*) The length of the holiday with pay should be six consecutive normal working days after 12 months' service, but the leave should not be cumulative from year to year.
(*b*) What should be the rate of increase in the length of the holiday in proportion to the length of service ?	(*b*) There should be no increase in the length of the holiday in proportion to the length of service.
(*c*) Should Sundays and public holidays be included or excluded ?	(*c*) Sundays and public holidays should be excluded.
(*d*) Should any restriction be imposed on the sub-division of the holiday ?	(*d*) Yes. Leave should be taken undivided.
(*e*) Would you suggest any special holiday schemes for particular occupations and for apprentices ?	(*e*) No.

Question.	Answer.
Q. No. 7.—Should the international regulations make any provision for loss of right to holidays, and if so, under what circumstances ?	*A. No.* 7.—No. Any such regulations if found necessary should be made by local legislation.
Q. No. 8.—Do you agree that the following rule should apply to holiday pay ? "Pay at the usual rate in proportion to the length of the holiday for workers on fixed wages; and pay calculated by averaging over a period of some length for all workers whose remuneration varies with output."	*A. No.* 8.—We agree.

QUALITY NUMBERS ON IMPORTED PIECE-GOODS.

(*See Report* 1926, *Volume I, page* 296).

In December 1934 an enquiry was received from the Amritsar local branch of the Punjab Chamber of Commerce as to—

A. Whether constant use of a number for five years precluded any objection being lodged to it.

B. Whether prefixing two letters to a recognised piece number was permissible.

In regard to A, the Committee expressed the opinion that the deciding factor was not the time during which the number had been in use, but the time during which its use had come to the notice of the owner of the original number. If the latter was less than three years the owner had grounds for taking action.

In regard to B, the Committee stated that in 1926 the Chamber ruled that it was the accepted custom of the trade that there should ordinarily be a difference of *two figures* in

the combination and the Committee endorsed this ruling. The Committee added that while it was neither customary nor desirable to recognise letters as figures in combinations which left the original piece number unaltered, the decision as to whether stamping on two sets of goods clashed was bound to vary according to the circumstances of each case, and was a matter for arbitration.

RE-EXPORT OF IMPORTED TEXTILES.

In August 1935 an enquiry was received from the Director of Industries, Bombay, as to (1) whether textiles were imported into India from non-Empire countries in a partly manufactured state and after undergoing a finishing process were re-exported to the Colonies; and (2) whether any of the textiles manufactured in India and exported to the Colonies were made partly or wholly of imported yarns.

After consulting the Import Sub-Committee the Committee in reply stated (1) that they were not aware of any instances of textiles being imported at the moment into India from non-Empire countries in a partly manufactured state and after undergoing a finishing process being re-exported to the Colonies. As regards (2) it was impossible to give a definite reply to this question. The Committee added that a very small proportion of imported artificial silk yarn, or English yarn used for borders might find its way into cloths for export but the Committee considered the total quantity would be negligible.

MATCH INDUSTRY.

Competition from Indian States.

In January 1935 the Chamber was favoured with a copy of a joint representation that had been submitted to the

Government of India by the Indian Match Manufacturers' Association and the Western India Match Company, Ltd., in regard to the competition of match factories situated in certain Indian States with manufacturers of matches in British India.

It was submitted—

(1) that the Central Government should use every endeavour to prevail on those States which were levying import duty on matches on the amount of the excise duty, to waive such duty; and

(2) that, if this representation should fail, the same duty should be levied on matches imported into British India from a State as was levied by that State on matches manufactured in British India entering the State.

The Committee addressed the Government of India in support of the first of the abovementioned submissions.

IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

Appointment of Rice and Wheat Committees.

The Crop Planning Conference convened by the Government of India in Simla in June 1934 recommended that Standing Committees on Rice and Wheat should be set up under the Imperial Council of Agricultural Research to consider all matters relating to the production, marketing and general improvement of the two crops. The Committees would also review the statistical position of production and consumption (both internal and external) of rice and wheat, and consider marketing research and development of agricultural and technological research and advice on research policy. These recommendations were accepted by the Imperial Council of Agricultural Research and it

was decided to set up the two Committees on each of which it was intended that the Associated Chambers of Commerce of India should have one representative.

In April 1935 the President of the Associated Chambers enquired whether this Chamber desired to make any nomination for the two seats.

The Committee in reply suggested that as the trade itself was provided in each case with direct representation on the Committees, the Associated Chambers, failing other suggestions, might be content to nominate one of the members of the European Group in the Central Legislature.

In June 1935 the Associated Chambers of Commerce of India informed this Chamber that the following nominations had been received for appointment to the Rice and Wheat Committees of the Imperial Council of Agricultural Research and enquired which of the two candidates for the Wheat Committee the Chamber desired to be elected :—

RICE COMMITTEE.

Chittagong Chamber .. Rai Upendra Lall Ray Bahadur

WHEAT COMMITTEE.

Bengal Chamber .. Mr. F. C. Fyffe, Messrs. Shaw Wallace & Co., Calcutta.

Northern India Chamber .. Major Harris, O.B.E., The Coleyana Estate, Ltd., Montgomery, Punjab.

The Committee supported the nomination of Mr. F. C. Fyffe and were subsequently informed that Mr. Fyffe had been nominated by the Associated Chambers.

USE OF INDIAN COTTON BY LANCASHIRE.

(*See Report* 1934, *page* 253.)

Copies of the first annual report of the Lancashire Indian Cotton Committee were received by the Chamber in February 1935 and were considered by the Cotton Sub-Committee who submitted the following report which was adopted by the General Committee. A copy of the report was forwarded to the Lancashire Indian Cotton Committee as representing the views of the Chamber :—

After a careful perusal of the First Annual Report of the Lancashire Indian Cotton Committee we are of opinion that it is an excellent one, containing as it does a good deal of useful information and bringing out the increased interest in Indian cotton which has been awakened in Lancashire by the Committee and its Cotton Commissioner during the short time they have been functioning. The graphs printed in the Report are also very instructive and show clearly the trend of prices and consumption of Indian cotton during the past six years. We are of opinion that the Committee are to be congratulated on their efforts to foster the use of Indian cotton and it is gratifying to see that Lancashire spinners are now showing a greater interest in Indian cotton than they used to. The efforts of the Lancashire Indian Cotton Committee have, no doubt to a great extent, been helped by the very favourable parities during the initial stages of the campaign but it is to be hoped that there will be no falling off in the quantities of Indian cotton taken by Lancashire during seasons of narrow parities between Indian and American cotton.

2. Although the meeting held at Liverpool in July last year between representatives of the cotton trade did not, for various reasons, reach any conclusive results we consider that similar meetings but of a more formal nature, properly sponsored and with a properly drawn up agenda, would be of the greatest value and should be held annually in Liverpool. The Lancashire Indian Cotton Committee might be asked whether they approve of the idea. We do not think that the Chamber should take a lead in this connection but it might be suggested to the Indian Central Cotton Committee that that body, representing

as it does all cotton interests in India, should sponsor the meeting. A preliminary meeting might be held each year in Bombay say in the month of February. It is felt that more good could be done at a meeting of this nature, than in any lengthy correspondence, in smoothing out the many difficulties that still confront the trade.

3. We greatly appreciate the efforts of the Cotton Commissioner in India, Mr. H. C. Short, in keeping himself, and thereby Lancashire spinners, in touch with developments in Indian cotton. Although we do not desire that any alteration should be made in his programme, at any rate for the present, we feel that it will be of great benefit to the trade if the Cotton Commissioner could, during the period he is in England, endeavour to impress on spinners, merchants and brokers the adaptability of Indian medium and short stapled cotton to Lancashire needs. In other words, we are of opinion that he should concentrate his attention more on the lines of developing the greater use of the present exportable surplus of medium and short stapled varieties of Indian cotton rather than of the improved stapled types of which supplies are at present comparatively small. In this connection the Lancashire Indian Cotton Committee might also be asked to make available to the trade the results of the investigations of the Shirley Institute on Indian short staple cottons.

4. There are no references in the Report to (1) hedge contracts in Liverpool for Indian cotton or (2) arbitrations and appeals. These matters need consideration but could, we think, be more appropriately discussed at the annual meetings we have suggested.

BUYING ON ACCOUNT AGAINST HEDGE CONTRACTS.

By-laws of the East India Cotton Association, Ltd.

In May 1935 the Government of Bombay drew the attention of the Chamber to Government Notification No. 5789-D., dated the 7th May 1935, publishing certain proposed amendments to the by-laws of the East India Cotton Association, Ltd.

The proposed amendments were carefully considered by the Committee in consultation with the Cotton Sub-

Committee and in replying to the Government of Bombay the Committee commented only on those amendments which pertained to the by-laws dealing with hedge contracts and in particular to the paragraphs in these clauses which gave buyers the right to buy in the market on account of sellers when tenders against hedge contracts were rejected. The Committee had no remarks to offer on the other amendments.

The Committee pointed out in the first place that the resolution amending the by-laws in question was carried at a general meeting of the trade by a narrow majority, being supported by only one section of the trade. The votes of this section were numerically stronger than all the other sections combined. At the meeting, the resolution was opposed by all the sections of the trade dealing in actual cotton, including the millowners.

Clauses giving the buyer the right to buy on account of the seller, when a tender against a hedge contract was rejected, were incorporated in the by-laws prior to 1922-23. During the September Oomra corner, however, in 1922, it was found they gave an unfair advantage to the buyers and they were accordingly deleted. No adequate reasons were put forward at the general meeting of the trade to justify the reintroduction of these clauses, except that they were recommended by the Board of Directors and demanded generally by the trade. The fact that only one section of the trade supported the amendments at the meeting and carried them by its numerical strength refuted this latter argument.

The existing hedge contracts were, in the opinion of the Committee, too restricted, and genuine merchants who wished to hedge their stocks continually had to run the risk of a "squeeze". The proposed amendment would make the hedging of cotton even more hazardous.

The contemplated amendment gave the buyer the right to buy any description tenderable under the contract. This privilege, in the opinion of the Committee, would cause confusion and would lead to many disputes and arbitrations. The Committee visualised a position when nearly every purchase on account might be challenged by sellers and they considered that the practical difficulties which would be met were in themselves sufficient argument for opposing the amendments.

The Committee added that buying on account against a hedge contract was not admitted in the Liverpool or New York markets and, to the best of the knowledge of the Committee, in any other markets. The Committee saw no reason why it should be necessary in the Bombay market. They objected therefore to the amendments.

FREE BOMBAY HARBOUR.

(*See Report* 1926, *Volume I, page* 311.)

In August 1935 an enquiry was received from a Consular Office as to whether in a case of "Free Bombay Harbour" sale any such expenses as unloading should be borne by the sellers.

In reply the Committee stated that in their opinion in such cases all landing, clearing and delivery charges were on the buyer's account. The seller merely contracted for the arrival of the goods within port limits.

WAR RISK INSURANCE.

In September 1935 the Chamber received enquiries, (*a*) as to whether the seller or the buyer had to bear the extra insurance premium on account of war risk, where no express provision was made in the contract;

(*b*) in case the buyer had to pay such extra premium and in the event of his declining to insure the goods against war risk, whether the seller, to ensure the safety of the goods, could cover war risk on account of the buyer, or decline to ship the goods unless the buyer agreed to cover war risk on his account;

(*c*) whether the buyer was liable to pay any excess of freight and insurance premium in the event of any unusual increase in such rates due to any extraordinary circumstances over which the seller had no control, as for instance, war.

After consulting the Import Sub-Committee the Committee stated that (*a*) in their opinion if the sale to the buyers was on a clean c.i.f. contract, any increase in freight or in insurance of ordinary marine risk was for sellers' account. The Committee considered that the seller could not pass on to dealers the extra charges of his suppliers unless he had made a special stipulation in his contract with his dealers. War risk should be the subject of supplementary agreement and no obligation to insure against this risk lay upon either party. If it was not mutually agreed to insure against War Risk when the contract was made, the buyer was entitled to require the seller to insure against this risk provided he was willing to bear the cost.

(*b*) & (*c*)—The Committee replied to both these questions in the negative.

FORCE MAJEURE CERTIFICATES.

In September 1935, in replying to a member in regard to the question of the validity of *force majeure* certificates pertaining to goods from the Continent, the Committee, after consulting the Chamber's solicitors, stated that such

certificates were issued only by Chambers of Commerce, Notaries Public or other competent authorities who should certify the correctness of the facts. Such certificates were invariably accepted by importers without question, but in order that they might be admissible as evidence in a Court of Law in India without further proof, it was necessary, as the law stood at the moment, that they should be visèd by a British Consul. In such cases the British Consul did not certify the facts contained in the document but merely attested that the person issuing the certificate was competent to do so and that the signature was authentic.

In view of this opinion, the Committee decided to amend the rulings given in the Chambers' Book of Decisions, 5th edition, pages 70 and 71.

INSPECTION OF WRITTEN STATEMENTS IN ARBITRATION.

In September 1935, in replying to an enquiry from an importing house the Committee stated that in their opinion neither party to a dispute had the right to require that he should be furnished with a copy of any written statement made by the other party *before* the matter was submitted to the arbitrators. On the other hand, an opposing party might apply to the arbitrators themselves for inspection of any documents submitted by the other side and it was usual, in such cases, for inspection to be given.

BURSTING OF THE MONSOON.

The Meteorologist, Bombay, informed the Chamber that the date of the burst of monsoon in Malabar might be taken as 9th–10th of June 1935 and that of its establishment there

as 12th June 1935. The monsoon might be considered to have extended and burst in Bombay on the 13th-14th June 1935 and been established there on the 17th June 1935.

WEATHER WORKING DAYS.

The following days during the monsoon months of 1935 were declared by the Committee of the Chamber to be half or non-weather working days for steamers in the docks :—

Wednesday,	19th June	Non	weather	working	day.
Tuesday,	25th June	Half	,,	,,	,,
Wednesday,	3rd July	Half	,,	,,	,,
Saturday,	6th July	Non	,,	,,	,,
Friday,	19th July	Non	,,	,,	,,
Saturday,	20th July	Non	,,	,,	,,
Saturday,	7th Sept.	Half	,,	,,	,,
Tuesday,	10th Sept.	Non	,,	,,	,,
Wednesday,	11th Sept.	Half	,,	,,	,,
Thursday,	12th Sept.	Half	,,	,,	,,
Saturday,	14th Sept.	Half	,,	,,	,,

The Deputy Conservator, Bombay Port Trust, also declared the following days to be half or non-weather working days in the stream :—

Wednesday	19th June	Non	weather	working	day.
Tuesday,	25th June	Half	,,	,,	,,
Friday,	28th June	Half	,,	,,	,,
Wednesday,	3rd July	Half	,,	,,	,,
Saturday,	6th July	Non	,,	,,	,,
Friday,	19th July	Non	,,	,,	,,
Saturday,	20th July	Non	,,	,,	,,
Saturday,	7th Sept.	Half	,,	,,	,,
Tuesday,	10th Sept.	Non	,,	,,	,,
Wednesday,	11th Sept.	Half	,,	,,	,,
Thursday,	12th Sept.	Half	,,	,,	,,
Saturday,	14th Sept.	Half	,,	,,	,,

ST. GEORGE'S HOSPITAL.

(*See Reports* 1922, *Vol. I, page* 19; 1923, *Vol. I, page* 20; 1933, *page* 88.)

Under General Department Resolution No. 9303 of the 26th February 1934 the Government of Bombay appointed a Committee consisting of the following members to make recommendations regarding the future of St. George's Hospital, Bombay :—

Mr. G. L. Winterbotham, M.L.C., (*Chairman*).
Lieut.-Col. A. F. Hamilton, C.I.E., I.M.S.
Mr. Pestanshah N. Vakil, M.L.C.
Mr. (now Sir) William R. S. Sharpe, M.Inst.T.
Dr. J. A. Collaco, M.L.C.
Mr. J. B. Greaves, M.L.C.
Mr. D. Watson, M.C., B.A., M.Inst.F.
Mr. S. H. Prater, M.L.C.

with Lieut.-Colonel C. S. Foster (Retd.), Lay Secretary for Hospital Administration, Bombay, as Secretary.

The Committee's terms of reference were :—

(*a*) To make proposals in order to secure that the facilities afforded by St. George's Hospital on its present site are more generally availed of than at present without substantially increasing the net cost to Government.

(*b*) To examine and report on the whole administration of the Hospital, including the Nursing Association, with a view to reducing the net cost per head to Government and in particular to consider the rates of fees at present charged, the method of assessing them, the use now made of the free wards, the strength of the staff and the distribution of work.

(*c*) To ascertain and report the cost, both recurring and non-recurring, of any proposals that they may put forward. As regards (*a*) above, the Committee are to consider whether the object in view can be secured by opening an outpatients' department or otherwise. They are to proceed on the assumption that the Hospital will be open to persons of all nationalities and communities who follow European habits of diet and of life generally. Alternatively they are to consider

whether the object can better be secured by reserving one wing for Indians following the Indian manner of life. The financial implications of this alternative as compared with the preceding alternative are to be fully worked out.

On the 21st November 1934 the Government of Bombay issued a resolution No. 9303 summarising the recommendations of the Committee and detailing the orders of Government on the recommendations. The papers were examined by the Committee of the Chamber in consultation with liaison Sub-Committees of the Chamber and of the European Association, Bombay Branch, and in addressing the Government of Bombay subsequently in the matter the Committee of the Chamber stated that they were generally in agreement with the recommendations made in the Report and expressed a hope that so far as possible the Government of Bombay would see their way to give effect to them in their entirety. The Committee offered the following observations on certain of the more important recommendations in the light of the orders of Government contained in the above mentioned Resolution..

Recommendation No. 1.—Government accepted the recommendation regarding the constitution of a Committee to look after the lay administration of the Hospital. The Chamber considered that it was essential that the non-official representatives whom it was proposed to appoint to the Managing Committee should be really representative of their communities and should have knowledge of business methods and some acquaintance with hospital administration. The Chamber was strongly of the opinion that they should be nominated by Government after consultation with the Chamber and any other interested parties.

Recommendation No. 2.—The Chamber strongly supported the recommendation that Government should take

immediate steps to see that the post of Resident Medical Officer was regularly and permanently filled by an I.M.S. surgeon. As pointed out in the Report the post was statutorily reserved for an I.M.S. officer, and if the Government of Bombay had difficulty in complying with this obligation the Chamber suggested that they should apply to the Government of India for the services of an additional I.M.S. officer.

Recommendation No. 4.—The Chamber supported the recommendation that a properly organised out-patients' department should be instituted in the premises occupied at the moment by the Nursing Home. In this connection the Committee put forward the suggestion that female as well as male venereal cases should be segregated, and from an examination of the plan of the Hospital it appeared that this could be done in the Wards adjacent to the existing Nursing Home. The Chamber accepted the suggestion for the removal of the Nursing Home from its existing site, and were not in favour of Government's proposal that the out-patients' department should be located in Wards 6 and 7. The Chamber considered that much more economy in working would be obtained by having Wards 5, 6 and 7 as the General Men's Wards, and Wards 10, 11 and 4 as the General Women's Wards. The women patients out of Ward 9 (*a*) should be accommodated in Ward 4. Ward 3 should become the Nursing Home. The existing Nursing Home should be converted into an out-patients' department and Wards 9 and 9 (*a*) should be made the Male and Female Venereal Wards respectively. It had been represented to the Chamber that either of the proposed locations of the out-patients' department might lead to congestion of the Hospital approaches. To overcome this difficulty it was suggested that if, as was hoped, the North Block of the servants' quar-

ters was rebuilt it would be desirable to use the Frere Road entrance only for out-patients.

Recommendation No. 5.—Government were silent regarding the recommendation that the Nursing Home should be removed from its existing situation to the First Floor, Southern Wing, and accommodation to the extent of 10 rooms provided at an estimated non-recurring cost of Rs. 2,833. The Nursing Home was a paying section of the Hospital and the Chamber was strongly in favour of this recommendation for increasing the accommodation and amenities provided. The noise, the fact that artificial light had to be used in all the rooms throughout the day, and the absence of separate lavatory accommodation for males and females, made the present site totally undesirable.

Recommendation No. 6.—The Chamber was in favour of the appointment of additional Honorary Physicians and Surgeons as recommended by the Committee. The Chamber considered this an essential concomitant of the institution of an out-patients' department and expressed a hope that Government would see fit to give effect to the recommendation which was understood to be in accord with the practice of London hospitals.

Recommendation No. 7.—The Chamber after carefully considering the recommendation for a revision of the scale of fees in the light of the figures quoted by Government in paragraph 10 of Resolution No. 9303, pointed out that these figures were fallacious in that they entirely left out of account the increased fees that an Almoner would have produced. The Chamber suggested that the Managing Committee, when appointed, be asked to reconsider the question of fees and the creation of the post of Almoner. It was believed the services of the latter would be found to be beneficial to

the communities concerned apart from any increase in fees that might be realised.

Recommendation No. 8.—The Chamber noted that Government had accepted the recommendation that cases of pulmonary tuberculosis should not be admitted into the Hospital and asked for an assurance that there were at the moment in fact no cases of pulmonary tuberculosis in the Hospital.

Recommendation No. 9.—The Chamber approved of the recommendation that a separate isolation block of five or six rooms should be built adjacent to the existing infectious block.

Recommendation No. 10.—The Chamber approved of the recommendation that the question of alternative systems for heating water, etc., should be investigated.

Recommendation No. 11 (*d*).—The Chamber understood that the two ice chests which Government considered sufficient for present requirements, were in a thoroughly insanitary condition and should be destroyed. It was suggested that an endeavour should be made to replace them with suitable refrigerators.

Recommendation No. 12.—The Chamber agreed that a Government laundry to serve all Government Hospitals in Bombay City would probably be more expensive than the existing system; but it was understood that the laundry arrangements in Bombay hospitals were generally so deplorable that it was thought the expense should be faced.

Recommendation No. 16.—The Chamber agreed that the following works should be undertaken when funds permitted:—

(*a*) provision for a proper mortuary on another site from that now occupied;

(*b*) the rebuilding of the north block servants' quarters; and

(*c*) the repairing, and where necessary, complete renewal of the menials' lavatory and bathing arrangements.

Recommendation No. 17.—The Chamber approved of the recommendation for the yearly publication of the accounts of the Hospital and expressed a hope that the accounts would be published by the Managing Committee in such manner that they would be available to the public generally.

In replying to the Chamber's letter the Government of Bombay stated that, in regard to the Chamber's remarks on recommendation No. 1 a Managing Committee of the Hospital consisting of the following gentlemen had been appointed :—

J. B. Greaves, Esq., M.L.C., J.P.
A. G. G. Bullocke, Esq., M.L.C., J.P.
S. H. Prater, Esq., M.L.C., J.P.
J. A. Collaco, Esq., L.M. & S., M.L.C.

Government observed that one of the members of the Managing Committee was Mr. J. B. Greaves, (who was a representative of the Chamber on the Legislative Council), and added that they would in future be prepared to give full consideration to any suggestion that the Chamber might make with regard to nominations.

In regard to recommendation No. 2, Government agreed that the post of Resident Medical Officer in St. George's Hospital should be regularly and permanently filled by an Indian Medical Service surgeon, but the exigencies of the public service prevented any assurance being given that this suggestion could be invariably complied with.

In regard to recommendations Nos. 4, 5, 6, 7, 11 (*d*) and 12, Government stated that they would forward the suggestions of the Chamber concerning these recommendations to the Managing Committee of the St. George's Hospital for its views, and would carefully consider any recommendations which the Managing Committee might thereafter make on these subjects.

In regard to recommendation No. 8, Government understood that there were no cases of pulmonary tuberculosis at the moment in St. George's Hospital. (The last case there was that of the Hospital Compounder who was admitted for fever and in whose case pulmonary tuberculosis was subsequently diagnosed. Instructions for his removal were issued and presumably had been complied with.)

A copy of the letter from the Government of Bombay was forwarded to Mr. Greaves with the request that he might keep the Committee of the Chamber posted with information as to any major issues that might come before the Managing Committee of St. George's Hospital, and in particular as to the manner in which that Committee dealt with the points referred to them by Government as mentioned in the reference to Recommendations Nos. 4, 5, etc.

INDIAN STORES DEPARTMENT.

Invitation to Tender.

In February 1935 a matter of general interest was brought to the notice of the Chamber with regard to the terms and conditions under which invitations to tender were issued by the Indian Stores Department to the public generally, or to selected firms and companies.

To assist the Chamber generally, and specially with regard to this reference, the Committee asked the Chief

Controller of Stores, Indian Stores Department, for information on the following two points:—

(*a*) When tenders are required to be submitted to the I. S. D. not later than a stated date and time, is it a rule of the Department that any tenders received after the stated date and time shall not be considered ?

(*b*) If there is no definite rule as suggested above, is it nevertheless an invariable practice of the I. S. D. to refuse to consider tenders received later than the stated date and time ?

The Chief Controller of Stores in reply stated that the head of the Purchase Branch or Circle was authorised to consider a tender received late, if in his opinion that course was justified in a particular case.

The Committee again addressed the Chief Controller of Stores and stated that they had learned with some concern that the head of a Purchase Branch or Circle was authorised to consider a tender received late, if in his opinion that course was justified in a particular case.

The Committee pointed out that it was a generally accepted opinion that the essence of the tender system lay in all tenders being opened and considered at the same time. This was fortified by the belief which existed generally amongst commercial interests, that tenders were in practice dealt with under the strictest interpretation of the implications of the invitations to tender, even though compliance with the stated conditions might in fact be satisfied with less.

These conditions normally stipulated a time and a date not later than which tenders must be received. Furthermore, an invitation to attend at the opening of tenders at a subsequent date and time duly stated was usually expressed. There would, therefore, appear to be reasonable grounds for the belief that the opening and consideration of tenders was

to be carried out under the strictest procedure. The usual saving clause prevented any claim that the lowest or indeed any tender should be accepted. But the rejection of all tenders would appear necessarily to imply a re-issue of invitations to all concerned, which was all the more important in view of the fact that tenders might be opened in the presence of the tenderers themselves. If it was possible to consider a tender received after this publication of the tenders already received the possibilities were so obvious as to require no elaboration.

In order to assist the Committee in appreciating the point of view of the Indian Stores Department the Committee asked for the further views of the Chief Controller of Stores in the light of the fact that tenderers generally did believe themselves to be protected from the competition of tenders received after the time and date stipulated.

The Committee added that this request was made solely with the object of clarifying an issue which they regarded as of considerable public importance.

The Committee were informed subsequently that the Deputy Director of Purchase (Senior) of the Indian Stores Department would be proceeding on tour and would be in Bombay from the 11th to 13th April when he would be pleased to discuss the points raised by the Chamber.

The Committee met Mr. R. W. Targett, Deputy Director of Purchase (Senior), on the 11th April and in addressing the Chief Controller of Stores subsequently in the matter they informed him that the discussion which they had with Mr. Targett had been very helpful to them. More particularly they were glad to be assured that it was the invariable practice of the Department to restrict consideration of tenders

delivered late to those which it could be established were in transit to the Department, either by post or by telegraph, before the time fixed for the opening of such tenders, but were subjected to delay en route.

It was suggested to Mr. Targett, in pursuance of this practice, that the discretion allowed to the head of a Purchase Branch or Circle to consider a tender received late, be further restricted to tenders received from places remote from the centre where they had to be submitted, and that all local tenders received after the advertised time, whether submitted by principals direct or by local agents on behalf of principals and whether sent by post or delivered by hand, be automatically disregarded. The Committee expressed the hope that the Chief Controller of Stores would see his way to agree to this suggestion.

The Committee were subsequently favoured with a copy of a letter addressed by the Bengal Chamber of Commerce to the Controller of Purchase, Indian Stores Department, Calcutta, in which that Chamber reiterated its view that no tender from whatever source or district should be taken into consideration if received after the latest date and time appointed for the delivery of tenders, except only in extraordinary cases where a breakdown of postal or telegraphic communication justified this. Otherwise the Chamber was strongly of the opinion that no latitude whatsoever should be given to officers of the Department in connection with the acceptance of tenders after the time prescribed therefor.

In addressing the Chief Controller of Stores again in the matter, the Committee informed him that they were fully in accord with the views of the Bengal Chamber and expressed a hope that he was in a position to accept those views.

In this connection the Committee drew attention to the fact that the Director of Contracts of the Quartermaster General's Department at Army Headquarters had issued a notice to contractors warning them that in no case was a late tender ever considered by him.

PUBLICATION OF RESULTS OF TENDERS.

In November 1935 it was suggested by an importing house that the Chamber should urge the Railways, the Indian Stores Department and other Government and quasi-Government bodies to publish more detailed information of the tenders called for and the rates at which materials against the various enquiries were purchased.

After consulting members who had a knowledge of and were interested in business done by tender, the Committee informed the enquirers that the general feeling appeared to be that the information hitherto published in the Indian Trade Journal was reasonably adequate. The Committee did not consider that any real grievance existed, at any rate of sufficient strength to justify a general complaint by the Chamber.

TENDER SPECIFICATIONS.

In December 1935 it was represented to the Chamber that it was becoming a common practice in this country for a charge, sometimes a heavy one, to be made for the supply of a tender specification. The excuse offered by those demanding a purchase price for tender forms was that they desired to discourage frivolous demands for copies. It was feared, however, that as the practice was becoming a wide one with Government Departments, including the Indian Stores Department and others requiring plant and supplies, it was being used

as a means of making contracting parties contribute towards the cost of the intended works. For instance the Madras Government recently invited tenders for the supply of electrical equipment and the specifications, drawings and tender forms were sold at a price of Rs. 50 each. As most of the tenderers would require two sets of forms, one for despatch to their Principals at home and one for their own use and there were probably at least a dozen firms interested, the Madras Government must have realised a large sum out of Engineering firms.

In addressing the Associated Chambers of Commerce of India on the subject the Committee stated that they understood that it was a common practice in England for a charge to be made for tender forms, which was returnable upon receipt of tenders. This it would appear should be sufficient to put a stop to demands for copies from irresponsible persons.

The Committee were of opinion that it was only fair that a fee should be charged as an earnest of good faith and that that fee should be refunded when good faith had been proved. There would appear to be no justification, however, to charge a fee as a fee when no consideration was given. The Committee suggested that the opinion of the other constituent Chambers might be obtained in the matter and a representation be made to the proper authorities if the other Chambers agreed.

APPOINTMENT OF INDIAN TRADE COMMISSIONERS.

In December 1934 the Associated Chambers of Commerce of India forwarded to this Chamber, for an expression of views, a copy of a letter that had been received from the Government of India intimating that the latter had under consideration the question of making further appointments of

Trade Commissioners as and when opportunity offered and asked to be favoured with the advice of the Association as to the countries in which the establishment of Trade Commissionerships would be most likely to bear fruitful results. The Government of India suggested that in formulating an opinion the following general considerations might be kept in mind. Broadly speaking, India's export trade was directed geographically to two main zones—an eastern zone and a western zone. Typical of the eastern zone was the export trade to African ports from Alexandria in the north to Durban in the South, while the western zone comprised the Continent of Europe and America. Exports to the eastern zone consisted for the most part of cotton piecegoods and foodgrains, while Europe and America were interested mainly in the raw materials of industry, such as, oilseeds and hides and skins, and, at the same time, offered more ready markets, for Indian manufacturers. *Prima facie* it appeared doubtful whether the services of a Trade Commissioner would be of any great assistance in promoting the export of foodgrains, nor was it probable, in the existing state of world competition, that exports of Indian cotton textiles were likely to make any considerable headway. On the other hand, the increasing regulation of imports into western countries by means of quota systems and other forms of restriction made it doubtful whether any substantial advance could be looked for in that direction.

In replying to the Associated Chambers of Commerce of India the Committee stated that they doubted the advisability of the Government of India making further appointments of Trade Commissioners at the present time.

In the meantime, in a press communiqué, dated 13th February 1935, the Government of India, Department of

Commerce, notified for general information that an Indian Government Trade Commissioner had been appointed at Milan and assumed charge of his office on the 1st February 1935.

The Associated Chambers of Commerce of India in replying to the Government of India's reference in regard to the question of making further appointments of Trade Commissioners stated that the majority of the Chambers were not in favour of any further appointments being made at the moment. It had been suggested, however, that the establishment of Trade Commissionerships was a development which should be kept in mind, as this would doubtless be one of the subjects for consideration by the staff of expert advisers on economic matters, as recommended by the resolution which was adopted at the annual general meeting of the Associated Chambers of Commerce of India in December 1934. The Associated Chambers added that while the majority of opinion was that expressed above, suggestions had also been received to the effect that any additional appointments, if and when made, should be in the United States of America; the principal British Dominions, particularly Australia, and Canada; Durban, South America, the Federated Malay States and Shanghai.

REGISTRAR OF JOINT STOCK COMPANIES AND ADMINISTRATOR GENERAL.

In May 1935 the Government of Bombay intimated to the Chamber that it was the probable intention of Government on the retirement of the present incumbent to separate the two posts which he had hitherto held jointly, namely, Administrator-General and Official Trustee and Registrar of Companies and of Firms. Government did not give any reasons for this intention, but the Committee took it that one of these

would be the fact that the Registrar of Companies was a Government of India appointment, while the Administrator-General came under the Government of Bombay.

On the assumption that the separation of the posts would be effected, Government enquired whether this Chamber would agree with the opinion that it was not necessary for the new incumbent of the office of the Registrar of Joint Stock Companies and of Firms to be an expert on Company Law and Practice. They also enquired what pay was considered necessary for the appointment.

The Committee of the Chamber carefully considered the matter, in consultation with the Chamber's Finance Sub-Committee, and in regard to the first point raised, *viz.*, the qualifications to be required in a new incumbent they stated they were definitely of the opinion that the Registrar should continue to be a man with a thorough working knowledge and experience of Company Law and of the methods by which attempts might be made to evade it. The proper functions of the Registrar were, in the opinion of the Committee, more than those of a mere recording officer, and it seemed to the Committee that it would be a particularly unsuitable moment in which to replace Mr. Mitchell by an ill-qualified successor when the revision of the Indian Companies Act was at hand.

In regard to the question of salary, the Committee, holding the above views, considered that it would be essential to offer a salary calculated to attract candidates of the high qualifications they considered necessary for the post. With all possible regard for the dictates of economy, they doubted whether this would be achieved at less than the existing scale of Rs. 1,200-50-1,800 and they considered that an attempt to recruit as had been suggested, on the basis operative in Bengal, might prove to be a measure of false economy.

TAXI FARES IN BOMBAY.

In May 1935, the Superintendent of Police, Motor Vehicles Department, asked for the views of the Chamber on the questions of:—(1) A proposed introduction of two-seater taxis to ply for hire at annas four per mile; and (2) A reduction in the existing tariff of the larger taxis from annas eight to annas six per mile.

In reply the Committee stated that they were strongly in favour of the first of the above proposals as they were of opinion that the two-seater taxi would meet a real need in Bombay particularly that of people whose business took them much out of their own offices. The Committee urged that no consideration of the vested interests of existing owners should be allowed to prevail against a progressive step of this kind.

The Committee also approved the second of the above proposals on the assumption that six annas a mile was an economic charge. They felt that if such were the case the introduction of a four anna Baby taxi would no doubt effect the reduction automatically.

In replying to the above mentioned letter the Deputy Commissioner of Police stated that the Commissioner of Police was not in favour of recommending to Government the introduction of either the "four anna taxi", or the reduction of the existing fares from annas eight to annas six for the following reasons:—

1. It would be unfair to present taxi owners to introduce cheaper taxis at the moment as they had recently spent appreciable sums in getting their taxis passed, their meters tested, etc.

2. The introduction of the "four anna taxi" was not likely to have any effect on the number of horse drawn vehicles plying for hire, so

the net result would be that existing taxis would be hit hard if not driven entirely off the roads by the cheaper taxis.

3. Although it was suggested that the cheaper taxis should carry no luggage except hand-bags of small size, it would probably be difficult to enforce this in time. As the "four anna taxi" increased in numbers and the "eight anna" dwindled, any rule about the carrying of luggage would probably have to be revised.

4. The reduction in fare from annas eight to annas six for existing taxis was hardly likely to save them from extinction or from reducing their fares to annas four which was what might happen in practice, if the "four anna taxi" was introduced. Present taxi owners would agree to this reduction if they thought it would prevent the coming of the "four anna taxi" but not otherwise. In many case changing the fare mechanism of the meters and having them re-tested would be expensive which at the moment would be an unfair imposition on the taxi owners.

The Deputy Commissioner stated further that if there was a real sound general demand for cheaper taxis the matter could be reconsidered in a few months time, *i.e.* shortly before the next passing season, so that any fresh orders could be brought out at a convenient time if considered advisable. This would give those who had old taxis a chance of disposing of them if they did not think they could profitably carry on with the new competition introduced by the cheaper taxis.

The Deputy Commissioner added that it was also necessary to consider the ultimate benefit to the public which might without thinking clamour for the cheaper taxis and then grumble if they found that the standard of taxis in Bombay was not being maintained at its existing level.

The Committee in replying to the Deputy Commissioner stated that it appeared from his letter that although an offer of a better service at a cheaper price had been made, the public was to be denied it merely in order that a less

efficient and more costly one should be maintained. The problem seemed to have been considered by the police authorities only from the standpoint of the vested interests of the present taxi owners. The Committee in their previous letter particularly stressed, and they still maintained, that such vested interests should not be allowed to prevail against a progressive proposal for a cheaper form of quick transport.

In regard to the four reasons given by the Commissioner for his refusal to recommend either of the suggestions referred to above, the Committee mentioned that there did not appear to be any force in the first of those reasons as they felt that notice could be given at once to the taxi owners that from some future date, say six months hence, a certain number of new taxis would be licensed, and a further number at the end of say, every half year. This would allow the trade gradually to adjust itself to the new conditions, and give those who had their money invested in the existing type of taxis an opportunity of replacing their vehicles as they became obsolete with the same type of vehicle they employed at the moment or with the new four anna type according to the demand then prevailing.

The Committee did not understand the reference to horse-drawn vehicles. The object of introducing the Baby taxi was not to kill the horse victoria, though this might be incidental, but to give the public a cheaper rapid transport facility.

The Committee did not deny that the net result of the introduction of the Baby taxi would be that all taxis would come eventually on to the lower basis, but they considered that this was a move in the right direction. Luggage restrictions could then be relaxed, though the new type of car would itself impose limitations.

A reduction in the fares charged did certainly appeal to the commercial community and the Committee were unable to see why it should be repugnant to the police authorities or why the Deputy Commissioner assumed that there was not a "sound general demand" for cheaper taxis. Further, if the present taxi owners were willing to reduce the fare to six annas if they were allowed to keep their monopoly, it would seem that they could afford to do so.

As far as the question of meter mechanism was concerned, the Committee pointed out that it would be a simple matter to meet this (as was done in London) by affixing to each meter a notice that the fare recorded should be reduced by 25 per cent. (if the six-anna basis was to be substituted for the eight-anna basis).

To sum up the Committee reiterated their view that vested interests should not, in any circumstances, be allowed to interfere with the introduction of a progressive step of the kind suggested. They also felt strongly that immediate notice should be given to the existing taxi owners that new taxis would be licensed from a definite future date, say six months hence, and that the fares of the old taxis should be reduced to six annas per mile from the same date.

In September 1935, intimation was received from the Superintendent of Police, Motor Vehicles Department, that with effect from the 1st April 1936 new rates of taxi fares, as under, would be introduced :—

(1) Annas six for the first one mile or less : annas two for each subsequent 1/3rd mile.

(2) *Detention Charges.*—Annas two for each five minutes or Rs. 1-8-0 per hour.

(3) *Luggage Charges.*—Annas two for each package or article of luggage carried outside the car.

VERNACULAR EXAMINATIONS.

(*See Reports*, 1931, *Volume I*, *page* 321; 1932, *page* 299 *and* 1933, *page* 333).

In October 1935 the Government of Bombay intimated that rule 2 of the rules for the examination in Hindustani of assistants in Banks, mercantile firms, etc., had been amended to read as follows :—

"2. *Where and when held.*—Examinations are held by the Civil and Military Examination Committee, Bombay, every month and by the Local Committee for Vernacular Examinations in Sind, Karachi, on such dates as may be fixed by the Commissioner in Sind and notified by the Secretary, Local Committee for Vernacular Examinations in Sind, Karachi. If a special session is held at the instance of a mercantile firm or bank, the incidental expenses on account of the session, in addition to the fee payable by a candidate, shall be recovered from the firm or bank concerned."

SLAUGHTER OF LAMBS AND GOAT KIDS.

(*See Report* 1934, *page* 269).

It was mentioned in the Chamber's Report for 1934 that the Associated Chambers of Commerce of India had addressed the Department of Commerce of the Government of India suggesting that if after full enquiry it could be shown that the wholesale slaughter of newly born lambs and kids was taking place, an embargo should be placed upon the export of lamb and kid pelts and a suitable law enacted to make the killing of these new-born animals a criminal offence.

In July 1935 the Associated Chambers forwarded to this Chamber a copy of a letter that had been received from the Imperial Council of Agricultural Research intimating

that the matter was receiving the attention of the Government of India and that as a first step the Director-General of Commercial Intelligence and Statistics had requested Collectors of Customs in the major ports to collect statistics of the exports of pelts of baby lambs and kids.

It was added that from figures available from a recently conducted census it did not appear that there had been any reduction in the number of sheep in the Punjab and North-West Frontier Province, but everything possible was being done to assist in exercising control of the trade in baby lamb and kid skins and to prevent cruelty in connection therewith.

THE INDIAN ACCOUNTANCY BOARD.

In April 1935 the Associated Chambers of Commerce of India enquired whether this Chamber had any objection to the Government of India being addressed by the Association in support of a representation that the Indian Chamber of Commerce, Lahore, had addressed to the Government of India urging that a short annual report should be issued by Government dealing briefly with such matters as had occupied the attention of the Indian Accountancy Board during the year.

The Committee informed the Associated Chambers that they were inclined to question whether the matter was of sufficient importance, or the case sufficiently clear to secure almost automatically the weighty support which endorsement by the Association would give. They pointed out that this was a matter for the profession concerned to take up with Government in the first place, if there was a general demand from the members of the profession to know what Government was doing with the money collected from them. In any case the Committee did not

consider that it was a question on which the Associated Chambers should address Government at that juncture.

Subsequently the Associated Chambers informed this Chamber that such replies as had been received to the reference indicated that the other Chambers were fully in agreement with the suggestion that the Government of India might be asked to publish an annual report on the working of the Indian Accountancy Board. The Associated Chambers enquired whether, under the circumstances, this Chamber would withdraw its objection. The Committee replied that they were prepared to do so. In the meantime, however, the Punjab Chamber who had previously addressed the Government of India on the same subject received a reply to the effect that the Indian Accountancy Board was an advisory body and that its functions were to advise the Governor-General in Council on all matters of administration relating to accountancy, and to assist him in maintaining the standards of qualification and conduct of persons enrolled on the register of accountants. The Board made no report as such to Government nor was it a part of its function to find opening for members of the accountancy profession in India. In the circumstances, the Government of India regretted that they were unable to agree that any report on the working of the Indian Accountancy Board need be published.

In view of the terms of the above letter the President of the Associated Chambers decided to take no further action in the matter.

PUBLIC AND CHARTER PARTY HOLIDAYS.

Monday, 6th May and Saturday, 18th May, were declared by the Government of Bombay to be public holidays under

the Negotiable Instruments Act on account of the celebration of the Silver Jubilee of His Majesty the King-Emperor. The Committee of the Chamber also declared the 6th and 18th May to be holidays under Charter-Parties.

EXHIBITIONS AND FAIRS.

Papers in connection with the following Exhibitions and Fairs were received by the Chamber during the year under review and were placed at the disposal of members :—

All-India Industrial Exhibition, Delhi, 24th February to 4th April 1935.

Swiss Industries Fair, Basle, 30th March to 9th April 1935.

Dhanbad Exhibition, Dhanbad, Bihar and Orissa, 4th to 25th February 1935.

Lyons International Fair, 7th to 17th March 1935.

British Industries Fair, Castle Bromwich, Birmingham, 20th to 31st May 1935.

Poznan International Industries Fair, Poznan, Poland, 28th April to 5th May 1935.

Universal Exhibition of Brussels, April to November 1935.

Sixth International Congress for Scientific Management, London, 15th to 20th July 1935.

Exhibition of Products, Arts and Industries, Adelaide, South Australia, 20th March to 16th May 1936.

The British Empire and China Trade Fair, Hongkong, 2nd to 28th December 1935.

Paris International Trade Fair, 18th May to 3rd June 1935.

Swadeshi Mela and Exhibition, Allahabad, 24th October to 4th November 1935.

Grand World Fair and Exhibition, Bangalore, 2nd June 1935.

Shipping, Engineering and Machinery Exhibition, Olympia, London, 12th to 28th September 1935.

57th Canadian National Exhibition, Toronto, 23rd August to 7th September 1935.

VIII International Exhibition of Industries of Barcelona, 1st to 16th June 1935.

British Industries Fair, London, 17th to 28th February 1936.

Nagoya Pan—Pacific Peace Exhibition, City of Nagoya, 15th March to 31st May 1937.

British Textiles Exhibition, London, 17th to 28th February 1936.

Levant Fair, Tel Aviv, Palestine, 30th April 1936.

LIST OF ACTS AFFECTING COMMERCE AND INDUSTRY PASSED BY THE INDIAN LEGISLATURE DURING THE YEAR 1935.

Central Legislature.

I. Indian Naturalization (Amendment).
II. Indian Tariff (Amendment).
III. Indian Tea Cess (Amendment).
IV. Salt Additional Import Duty (Extending).
V. Indian Mines (Amendment).
Indian Finance.
XI. Factories (Amendment).
XIV. Indian Coffee Cess.

BOMBAY LEGISLATIVE COUNCIL.

I. Bombay Finance (Amendment).

II. Bombay (District) Tobacco (Amendment).

VIII. Bombay Smoke Nuisances (Amendment).

IX. Bombay Weights and Measures (Amendment).

XIV. Indian Motor Vehicles (Bombay Amendment).

XXIII. Bombay Prevention of Adulteration (Amendment).

XXVI. Bombay (District) Tobacco (Second Amendment).

XXVII. Bombay Special (Emergency) Powers (Amendment).

CHAMBER'S ACCOUNTS.

As compared with the year 1934 there has been a decrease of Rs. 2,074 in subscriptions to the ordinary statistical returns. On the other hand the subscriptions to special statistical returns show a small increase of Rs. 486. The fees of the Measurement Department show an increase of Rs. 4,583. The total expenditure of the Chamber for the year was only Rs. 238 more than the previous year.

The improved state of the Chamber's finances made it possible for the Committee to restore, with retrospective effect from the 1st January 1935, the cash cut of five per cent. imposed on the salaries of the staff from February 1933. The Committee were not able at the same time to restore the Chamber's contribution to the Provident Fund to its former level of 8⅓ per cent. of the salaries. They have, however, placed on record their acceptance of the principle that the Chamber's contribution to the Provident Fund should be based on the equivalent of the members' contributions at the rate 8⅓ per cent. of their salaries, and that this should be done when the state of the Chamber's finances permit.

As the accounts show, the excess of income over expenditure for the year 1935, after the restoration of the cash cut in salaries was Rs. 4,717-4-6.

J. R. ABERCROMBIE,
President.

G. H. COOKE,
Member of Committee.

R. J. F. SULIVAN,
Secretary.

BOMBAY, 22*nd February* 1936.

BOMBAY CHAMBER OF COMMERCE.

Dr. *Income and Expenditure Account for the year ended 31st December 1935.* *Cr.*

To— EXPENDITURE.	Rs. a. p.	Rs. a. p.	By— INCOME.	Rs. a. p.	Rs. a. p.
Subscription to Weather and Crop Reports	51 8 0		Membership Subscriptions		
Membership Subscription to the Federation of Chambers of Commerce of the British Empire ..	28 11 0		1934.	6 11 3	
Membership Subscription to the Associated Chambers	640 0 0		Do. 1935.	69,120 0 0	
		720 3 0			69,126 11 3
Chamber Office—			Statistical Returns	32,612 7 8	
Salaries	67,897 0 0		Special Statistical Returns ..	6,237 14 2	
Rent	7,200 0 0		Statistical Miscellaneous Receipts	628 11 0	
Printing Miscellaneous Papers, Annual Report for 1934, etc. ..	5,141 11 0				39,479 0 10
Advertisements	34 0 0		Measurement Fees	80,456 6 6	
Books and Periodicals	616 11 0		Miscellaneous Receipts ..	541 0 0	
Stationery	917 15 0				80,997 6 6
General Charges	1,408 10 3				
Telephone Charges	528 3 0				
Fire Insurance Premium	14 1 0		Balance of Receipts over Expenditure on Arbitration Fees	....	399 0 0
Contribution to the Provident Fund	2,948 15 5				
Law Charges	468 0 0		Fees for issuing Certificates of Origin, etc.	...	3,322 0 0
Audit Fee	250 0 0				
Motor Car Upkeep	1,667 6 0				
Port Trust Ground Rent	100 0 0				
Furniture Depreciation	1,363 14 2		Miscellaneous Receipts ..	....	142 8 6
Motor Car Depreciation	745 0 0				
		91,301 6 10	Interest on Investments ..	....	3,121 6 0
Statistical Department—			Dividends	....	160 0 0
Salaries	20,940 0 0				
Statistical Typists' Salaries ..	4,524 0 0				
Cost of Cyclostyling Returns ..	3,513 7 6				

Printing Returns	*7,938*	*12*	*0*				*Sale of Old Furniture*			*280*	*0*	*0*
Contribution to the Railway ..	1,405	2	0									
Books and Periodicals	81	15	0									
Stationery	603	3	0									
Petty Charges	395	0	6									
Contribution to the Provident Fund.	1,214	14	9									
Furniture Depreciation	894	1	0									
				41,510	7	9						
Measurement Department—												
Salaries	55,031	0	0									
Printing Charges	870	4	0									
Stationery	77	4	0									
Telephone Rent	280	3	0									
Cost of repairs to Chowkies and Instruments	75	0	0									
Petty Charges	209	12	0									
Contribution to the Provident Fund.	2,447	14	9									
Pensions and Gratuities	1,135	0	0									
				60,126	5	9						
Restoration of Mr. Skinner's Portrait	....			500	0	0						
Interest on Overdraft	....			236	10	3						
Passage	....			1,906	11	0						
				1,96,301	12	7						
Balance being excess of Income over Expenditure transferred to Balance Sheet	....			4,717	4	6						
Total Rs. ..	....			2,01,019	1	1	Total Rs.			2,01,019	1	1

Examined and found correct.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants,
Auditors.

BOMBAY, 22*nd February* 1936.

J. R. ABERCROMBIE,
President.

G. COOKE,
Member of Committee

R. J. F. SULIVAN,
Secretary.

BOMBAY CHAMBER OF COMMERCE.

Balance Sheet as at 31st December 1935.

LIABILITIES.	Rs. a. p.	Rs. a. p.
Sundry Creditors—		
Bank overdraft secured by deposit of Securities ..	....	24,618 14 2
Outstanding Expenses—		
Salaries .. Rs. a. p. 6,936 0 0		
Chamber's Contribution to Provident Fund 319 2 3		
	7,255 2 3	
Audit Fees	250 0 0	
Advance receipts—Subscription to Special Statistics	57 8 0	
Arbitration fees and Stamp duty in connection therewith	635 0 0	
		8,197 10 3
Chamber of Commerce Accumulated Fund—		
Balance on 31st December 1934	1,29,306 11 11	
Add—Excess of Income over Expenditure as per annexed Account.	4,717 4 6	
		1,34,024 0 5

ASSETS.	Rs. a. p.	Rs. a. p.
Office Furniture—As per last Balance Sheet ..	5,675 8 10	
Add—Bought during the year	962 0 0	
	6,637 8 10	
Less—Depreciation at 10 per cent. written off this year.	1,363 14 2	
		5,273 10 8
Statistical Furniture—As per last Balance Sheet ..	1,046 0 0	
Add—Bought during the year	2,180 4 0	
	3,226 4 0	
Less—Depreciation at 25 per cent. written off this year.	894 1 0	
		2,332 3 0
Office Motor Car—As per last Balance Sheet	2,234 0 0	
Less—Depreciation at 25 per cent. written off this year.	745 0 0	
		1,489 0 0

INVESTMENTS.	Value on 31st December 1935.	Cost Price.	
	Rs. a. p.	Rs. a. p.	
5 per cent. 1939-44 Loan for Rs. 85,300	93,243 9 0	82,314 8 0	
5 per cent. Government Income Tax Free Loan, 1945-55, for Rs. 71,000.	84,711 14 0	71,000 0 0	
	1,77,955 7 0		
Less—Appreciation	24,640 15 0		
	1,53,314 8 0	1,53,314 8 0	1,53,314 8 0
40 Shares of the Bombay Telephone Company, Limited	....		1730 0 0
Interest accrued on Investments	....		2,379 8 8

			Deposits and Advance Payments—			
			Government of India Publication Deposit ..	100 0 0		
			Indian Posts and Telegraphs Trunk Call Deposit ..	10 0 0		
			Expenses *re* : the History of the Chamber ..	35 8 0		
					145 8 0	
			Cash in hand	....	176 2 11	
Total Rs. ..	....	1,66,840 8 10	Total Rs. ..	....	1,66,840 8 10	

We beg to report that we have audited the balance sheet of the Bombay Chamber of Commerce above set forth, and have obtained all the information and explanations required. The above balance sheet exhibits a true and correct view of the state of the Chamber's affairs according to the best of our information, and the explanations given to us, and as shown by the books of the Chamber and in our opinion is drawn up in conformity with the law

A. F. FERGUSON & Co.,

Chartered Accountants,
Registered Accountants,
Auditors.

BOMBAY, 22*nd February* 1936.

J. R. ABERCROMBIE,

President.

G. H. COOKE,

Member of Committee.

R. J. F. SULIVAN,

Secretary.

THE BOMBAY CHAMBER OF COMMERCE PROVIDENT FUND.

Statement of Accounts from 1st January to 31st December 1935.

By Balance at Credit of this account on 31st December 1934	....	....	3,84,607 14 11
Add—			
Subscriptions received from Members	....	8,025 8 2	
Contributions paid by the Chamber of Commerce	....	6,611 12 11	
Interest	....	23,581 3 9	
			38,218 8 10
			4,22,826 7 9
Deduct—			
Non-refundable withdrawals (Rule 28 (4))	....	....	530 4 0
To Balance at Credit of this Account on 31st December 1935 ..	....	....	4,22,296 3 9
Add—By Balance at credit of Lapses and Forfeitures account on 31st December 1934	....	8,071 6 7	....
Additions during the year	....	401 8 0	
			8,472 14 7
			4,30,769 2 4

Held thus—

INVESTMENTS.	Value on 31st December 1935.	Cost Price.
	Rs. a. p.	Rs. a. p.
3 per cent. Government Bonds, 1941, for Rs. 9,200	9,550 12 0	9,165 8 0
3 per cent. Government Loan, 1951-54, for Rs. 7,500	7,621 14 0	7,293 12 0
3½ per cent. Government Loan, 1947-50, for Rs. 87,300	92,101 8 0	85,977 0 0

4 per cent. Government Loan, 1960-70, for Rs. 1,11,500			1,22,789	6	0	1,10,576	2	0
4½ per cent. Government Loan, 1955-60, for Rs. 26,000			30,355	0	0	24,415	0	0
5 per cent. Government Loan, 1939-44 Bonds, for Rs. 70,700 ..			77,283	15	0	64,241	14	0
5½ per cent. Government Loan, 1938-40, for Rs. 1,14,000			1,23,903	12	0	1,14,555	15	0
			4,63,606	3	0	4,16,225	3	0
Less—Appreciation in Value of the above Securities			47,381	0	0			
			4,16,225	3	0	4,16,225	3	0
Interest accrued on Investments			....			5,344	6	8
Amount due by the Chamber of Commerce..			....			704	11	5
Amount due by Members			....			1,427	0	0
Cash in the Imperial Bank of India			....			7,067	13	3
								4,30,769 2 4

Examined and found correct.

A. F. FERGUSON & Co.,
Chartered Accountants,
Registered Accountants,
Auditors.

BOMBAY, 22*nd February* 1936.

J. R. ABERCROMBIE,
President.

G. H. COOKE,
Member of Committee.

R. J. F. SULIVAN,
Secretary.

Report

OF THE

Bombay Chamber of Commerce

FOR THE YEAR 1935.

CORRESPONDENCE, DOCUMENTS AND STATISTICS.

Bombay:
THE TIMES OF INDIA PRESS,
1936.

"THE BOMBAY CHAMBER OF COMMERCE."

Article contributed at the request of the Rotary Club of Bombay.

The Bombay Chamber of Commerce was established on 22nd September 1836 under the auspices of Sir Robert Grant, then Governor of Bombay. The Chamber will thus this year celebrate the centenary of its existence. During that period the Chamber has taken a leading part in every useful activity in the life of the City and Presidency. In such matters as agricultural and industrial improvement, communications by land, sea and air, port and city development and legislation of all kinds, central and provincial, its influence has been enormous. The number of founder members was 25, to-day its membership numbers 192 firms and companies—Indian, Continental, American and Japanese as well as British.

From the date of its establishment in 1875 until 1924, when it decided to establish a separate organisation, the Bombay Millowners' Association was affiliated with the Chamber. The East India Cotton Association also started its career under the aegis of the Chamber until in 1916 the Association decided to form a Cotton Clearing House in Bombay on the lines of the Liverpool Clearing House and to establish its own office.

Among the functions of the Chamber are the collection and classification of information on all matters of commercial interest, and from the very beginning the Chamber has published statistics which constitute an unbroken record of the trade and commerce of the port for almost a century. In addition to the statements regularly issued, which from time to time undergo revision and, if necessary, modification in accordance with changing trade tendencies, the Chamber

is in a position to issue special statistics of any lines in which members may be particularly interested.

Another important branch of the Chamber's work is the Measurement Department. In this department a staff of qualified measurers is maintained at the docks, whose principal duty is the measurement of goods intended for export, freight being charged on the basis of the certificates issued by the Department. In addition to the measurement of export cargo the measurers are frequently called upon to measure import cargo, in cases where there may be a difference of opinion between steamer agents and importers in regard to the freight payable on such cargo. They also, on request, supervise the weighment of imported cotton and draw and seal samples for arbitration.

In order to deal expeditiously with and to advise the General Committee on the many references made to the Chamber by Government, public bodies and its own members, Sub-Committees are appointed. In addition to appointing such special Sub-Committees as may be required from time to time the Chamber sets up each year the following standing Sub-Committees :—

> Finance ; Import ; Shipping and Export ; Docks and Railways ; Labour ; Cotton ; Income-tax ; Industries (including Electricity).

The last named is the youngest of the Sub-Committees and has been set up with the object of protecting the interests of industries other than the textile industry (whose wants are looked after by the Millowners' Association) and, in particular, of the numerous new industries which are a growing feature of the modern industrial development of Bombay.

From time to time the Chamber has issued a book entitled "Decisions on Shipping and Mercantile Matters" in which

quoted in concise and convenient form decisions given by the Chamber on various matters of trade custom and practice which have been submitted to it. The fifth and latest edition covers a period of 50 years—from 1882 to 1932—and constitutes a useful book of reference.

Under certain legislative enactments the Chamber has the right of representation on several public bodies including the Bombay Port Trust and the Bombay Municipal Corporation. It also elects a representative to the Council of State and two to the Bombay Legislative Council, besides being represented on a large number of semi-public bodies.

The published records show that it can be said, without exaggeration, that there has been hardly a single event of any importance affecting the trade and commerce of Bombay with which the Chamber has not been connected in some form or another. Its interests are so comprehensive, and the subjects with which it is called upon to deal are so many and diverse, that it would be quite impracticable to attempt even to enumerate them here. All that can be done is to allude in the briefest possible manner to a few of the questions of major importance which have arisen in recent years and which the Chamber had had under its consideration.

Foremost among the questions directly affecting the welfare of this Presidency is the ever present one of diversion of trade from the Port of Bombay to other smaller ports on the west coast of India, principally in Native States, which, under the shelter of special privileges and immunities, have shown marked development in recent years. Bombay is very dependent on its large entrepôt trade which has been built up over a period of a hundred years and more, and in the expansion of which a large amount of capital has been sunk for the provision of port and other facilities necessary

for the handling of this trade. Any loss of it is therefore a most serious matter, and the Chamber has taken the lead in urging on Government and otherwise promoting measures designed to check the movement. If these measures are successful as there is reason to hope, Bombay can look forward to the future with confidence. It possesses one of the finest harbours in the world, and with its port and storage facilities, its commodity markets and exchanges, it is in a position to take immediate advantage of the coming revival in trade.

Next only in importance to Bombay's entrepôt trade is the cotton mill industry. In its representations during the various Tariff Board enquiries into the industry the Chamber has persistently pointed out that this is by far the most important industry in Bombay, and that the general prosperity of the city must be affected by the prosperity of the mills and the various other businesses connected directly and indirectly with them. The Chamber has therefore throughout favoured adequate protection to the industry but only to the extent found necessary to protect efficiently and economically managed mills.

In recent years the Chamber has had frequent occasion to urge on the Government of India the necessity for "anti-dumping" legislation in India, in the interests not only of the cotton textile industry but of other industries also affected by exceptional competition from foreign countries rendered possible by depreciation of their currencies or other artificial means. The representations which the Chamber, in common with other bodies, has made resulted in 1933 in the passing of the Safeguarding of Industries Bill.

At first sight it may appear that support of such action is hardly consistent with the interests of the Chamber and its members, whose primary concern is the free flow of trade

unrestricted, as far as possible, by any barriers, be they terminal taxes, customs duties, exchange restrictions or the like. At the same time, although India is primarily an agricultural country, there has been very great industrial development in recent years, and under present world conditions tariff barriers—however much one may deplore them—are to some extent inevitable. The aim must be to strike a happy mean, and the Chamber would like to see the present high rates of duties maintained only so long and in so far as they are necessary for use as bargaining points with other countries. Recognising that tariff barriers are restricting the sale of India's exportable commodities and forming an obstacle to trade recovery the Chamber has just moved a resolution at the meeting of the Associated Chambers of Commerce of India in favour of their being lowered, in so far as this can be done without interfering with the policy of discriminating protection to which the country is committed.

Another resolution of vital interest to all, moved by the Chamber at the same meeting, calls for the early abolition of the present surcharges, not only on income-tax and super-tax, but also on customs duties which were imposed in 1931 to meet a financial emergency which has now largely passed. This is only the latest of a series of appeals and representations by the Chamber which it is hoped may now at last result in much needed relief being given.

It is perhaps permissible to conclude this article with a recent tribute to the Chamber and its work. "It is not too much to say that the history of Bombay during the last hundred years is the history of the Chamber from which has come the initiation of well nigh every social and economic development which we now enjoy: Banking; Posts; Telegraphs; Telephones; Railways; Docks; Shipping, and very many more. All these great and useful things, which we find

with us to-day and take as a matter of course, were forged out of nothing by the public spirited and courageous men who for a hundred years have given of their best to the service of the Chamber without recompense and often without even thanks."

INCOME TAX.

Summary of views put forward on behalf of the Bombay Chamber of Commerce to the Committee of two British Income Tax Experts and a Government of India Official appointed to conduct an exhaustive examination of the Indian Income Tax System.

1. *Evasion of Payment of Income Tax.*

We think that there can be no question that payment of Income Tax is evaded on a large scale and we hope that the advisers of Government will devise every possible means to reduce the extent of such evasion.

We suggest that Section 22 (2) of the Act should be amended to make it compulsory on all persons in receipt of an income of say Rs. 6,000 per annum or more to make an annual return and that provision should be made for a heavy penalty for failure to do so.

Section 23 (4) should be made use of more frequently than it is now.

2. *Joint Hindu Families.*

We are strongly of the opinion that Government should do away with the differentiation that at present exists in favour of Joint Hindu Families as compared with other families.

3. *Income Tax Manual.*

The Income Tax Manual is constantly being revised by notices in the Government Gazette and the Annual Finance

Act, but revised editions of the Manual are brought out at long intervals. Income tax payers can, therefore, never be certain that all corrections which are made to the Manual are right up to date. It will be an advantage, therefore, both to Income Tax Payers and Income Tax Officials if the Government brought out a revised edition of the Manual once a year. We consider that the advantages to be gained by such a procedure would more than justify the expense of publication at frequent intervals.

4. *Deduction of Tax on Salaries at source.*

In our opinion the whole procedure in connection with the deduction of income tax at source of salaries paid by a concern should be amended as the procedure, at present, is onerous and the responsibility thrown on the employer is inequitable.

5. *Income Tax Returns submitted by Employers.*

Under the existing Act and rules commercial offices have to submit to the Income Tax Officer a complete list of salaries and allowances every month. The amount of the tax deducted is shown on these statements and the total has to agree with the amount paid into the Reserve Bank. At the end of the financial year commercial offices have also to submit to the Income Tax Officer a summary showing the total amount paid to each member of the staff during the year, and the amount of tax deducted which must agree with the total of these statements. As the Income Tax office keeps a staff to scrutinise the monthly statements, we are of opinion that the work of compiling the annual statement should fall upon them or, alternatively, that commercial firms might be allowed to submit one statement at the end of the year.

We would ask Government to take this point into consideration when framing the Rules after the Act is amended.

6. *Refunds of Tax.*

Under Section 50 of the Income Tax Act individuals are not permitted (unless they satisfy the Commissioner etc. that they had sufficient cause for not applying within the statutory period) to claim refunds of tax "unless it is made *within one year* from the last day of the year in which the tax was recovered or before the last day of the financial year commencing after the expiry of the previous year. . . . . ." On the other hand the Income Tax Authorities are at liberty to go back three years. We consider that the period should in both cases be three years. In the United Kingdom it is six years. In this connection we would draw attention to the inordinate delay that takes place in dealing with claims for refund. The peremptory tone of the letters from the Income Tax Authorities goes ill with the length of time it takes to receive a reply from them as a rule. There are two other points in connection with the question of refunds that may be stressed :—

(*a*) The percentage of taxable profits as ascertained by companies should be accepted as far as possible for calculating refunds due on income from dividends instead of waiting till the profits of the company are actually assessed to tax, and

(*b*) The employers may be empowered to adjust excess deductions in the case of some employees out of the tax due to be remitted, during the financial year, even, in respect of other employees, instead of the present practice of limiting such adjustments to the extent of tax due by the *same* employee.

7. *Refunds.*

If an employee of a company leaves India having overpaid his income-tax it is at present necessary for him to follow a complicated procedure in claiming a refund either personally

or by means of a power-of-attorney granted to an officer of the Company. It is suggested that the Company should be allowed to adjust on his behalf the excess amount paid.

8. *Provident Funds—Annual Return under Rule 7 of the Rules prescribed by Central Board of Revenue Notification No. 12 of the 15th March 1930.*

In the case of Provident Funds with a very large number of members, the preparation of the above return involves an unusual amount of clerical labour without a corresponding benefit being derived by the Income Tax Authorities. The Rule as it stands at present requires the Trustees to include in the Return the required particulars in respect of each member, irrespective of the rate of pay he draws. The object of the Return seems to be to get particulars about such employees only who might become liable to tax for the first time or liable to tax at a higher rate due to the addition of the employer's contributions and of provident fund interest. Hence the inclusion therein of particulars about members who draw very low rates of wages and are far below the minimum taxable limit serves no useful purpose. It only makes the list cumbersome for reference. It is suggested therefore, that it would be advantageous both to the Funds and to the Income Tax Office if the names to be given in the annual return were restricted to those who might become liable to tax for the first time or be liable to tax at a higher rate due to the addition of the employers' contributions and of Provident Fund interest.

9. *Income Tax on Provident Fund Contribution.*

The provisions of the Act as they stand under which the employers' contributions and the employee's share of interest on investments in any particular year are taken into account for the purpose of ascertaining the total income of the employee

for that year, and determining the rate at which he should be taxed, result in practice, in certain cases, in members of recognised provident funds paying more than they would have to if they were members of an unrecognised provident fund. This question was the subject of a resolution at the annual meeting of the Associated Chambers of Commerce of India in December, 1931, but Government at that time was not prepared to amend the Act as it had then been in force for only a little over two years. They promised that they would watch the situation and consider action after a further year or two's experience if such experience proved it to be desirable. It may be argued that a member of a recognised provident fund gets the benefit of exemption of his and the employer's contributions to the extent of one-sixth of his salary. The same exemption can be obtained even by a member of an unrecognised provident fund if he pays annually insurance premium of an amount equivalent to one-sixth of his salary.

We consider that the Act should now be amended with the object of excluding from the member's income the employer's contribution to the Provident Fund.

10. *Superannuation Funds.*

The Indian Income Tax Act as it stands at present allows certain concessions to Provident Funds, but these concessions are withheld from Superannuation Funds.

This appears to be illogical and we suggest that concessions should be extended to Superannuation Funds in respect of employees' contributions and the income of such Funds, and that pensions received by members should be included in their total income for income-tax purposes on the lines of the regulations in force in the United Kingdom.

11. *Carry Forward of Business Losses.*

This question has been raised more than once by the Associated Chambers of Commerce of India, the last resolution on the subject being passed at the Annual Meeting in December 1934.

The principle has already been admitted by the Finance Member on behalf of the Government of India and it is clearly fair that such a carry forward should be permitted.

There is nothing sacrosanct about accounting periods of one year they being merely a matter of convenience which should only be allowed to affect matters of principle to the least possible extent.

The English law provides for losses being carried forward for income-tax purposes for a period of six years. We are of the opinion that the law should be amended in India to allow of the carrying forward of business losses for three years.

12. *Company Super Tax.*

We are of opinion that Companies Super Tax should be abolished as it inflicts hardship on shareholders of Companies in that they have to pay the tax regardless of whether they are or they are not in the Income Tax class or Super Tax class.

13. *Tax on Dividends of Holding Companies.*

Under Finance Department (Central Revenues) Notification No. 47 of the 9th December, 1933, the Government of India exempted from Super Tax so much of the income of any Investment Trust Company as is derived from dividends paid by any other Company which has paid or will pay Super tax in respect of the profits out of which such dividends are paid.

We are of opinion that the consideration which prompted Government to grant this exemption to Investment Trust Companies apply with equal force in the case of holding Companies, and we recommend therefore that Government grant all holding Companies the relief from double Super Tax that is at present granted to Investment Trust Companies.

14. *Income Tax Assessment of Non-Resident Traders.*

We are of the opinion that great harm will be done to the cotton trade of Bombay if brokers are made to pay or are in doubt as to whether they are liable for income-tax on profits on cotton transactions which they have carried out for non-residents.

We believe the U. S. A. have tried and abandoned the idea of collecting income tax on transactions of this kind and we think India would be well advised to do the same.

We think that under the Rules or otherwise *bona fide* brokers of world commodities who are genuinely classified as brokers by the Association which controls the dealings in their particular commodity should be exempted from taxation in respect of such transactions.

It would seem to be practically impossible to get to the end of a subject of this kind, *e.g.* a broker in Bombay may be buying or selling for a broker in Liverpool or New York, who is perhaps again acting for someone else in a third country. Moreover, the purchase or sale in Bombay is probably more often than not only part of a larger transaction involving purchases or sales elsewhere.

Obviously if a broker whose gross profit is only the brokerage on the deal is to be made liable for any profits made by the ultimate principal, he cannot undertake commissions

of this kind and trading in the Bombay Cotton Market must necessarily be reduced accordingly.

15. *Income Tax on portion of Agency Commission paid to third parties.*

It is understood that under certain agency agreements in force in this country the agents receive a commission on the basis of a percentage of the profits of the Companies for which they are agents. These agents in turn enter into agreements with different parties for payment to such parties of a portion of the commission received by them under their agency agreements in consideration of the services rendered by such persons in the formation or in the course of the business of the principal companies or their agents. Until the decision of the Privy Council in the case of the Pondicherry Railway Company, Limited, *vs.* the Commissioner of Income-Tax, Madras, 1931, 58, I.A. 239 : 54 Mad : 691, the payments of this share of the agency commission were allowed by the Income Tax Authorities to be deducted from the revenue of the agency company either as a business expenditure or on the ground that the profits of the business of the company were only ascertainable after the exclusion of such payments. By the Pondicherry case referred to above the Privy Council laid down that a share in the profits of a business could not be deducted as a business expenditure from the profits of the assessee in assessing his profits to tax. Purporting to apply the principle of this decision the Income Tax Authorities in Bombay declined to allow an agency company to exclude or deduct the share of the Commission paid to the parties entitled under the agreements referred to above and decided that this was a share of profits and therefore could not be excluded in assessing the profits of the agency company to income-tax.

It is felt that this decision causes injustice to the Agents and produces a result which was never contemplated at the time of the various agreements with the sharers in the commission without conferring on Government substantial benefits. As a result of non-exclusion or non-allowance of such payments the Managing Agents are assessed, *inter alia*, on the total commission payable under the various managing agency agreements. But the shares which they pay to the co-sharers under the agreements referred to above are in the hands of such co-sharers exempt from income tax under exemptions declared by Government under section 60 of the Act and set out in paragraph 17-A of the Notes and Instructions in the Manual. Item 2 of that paragraph says that sums received by an assessee for remuneration for services rendered where such sums have been paid out of, or determined with reference to, the profits of the business of the person paying, are exempt from tax. The result is that so far as income-tax is concerned Government recovers the tax from the person paying, in this case the aforesaid Managing Agents, and exempts the recipient, but recovers Super-tax from both the paying party and the recipients as there is no such exemption declared by Government in the case of Super-tax. It is submitted that this practice is contrary to the understanding existing between the parties at the times of entering into the co-sharers agreements because at those times the Income Tax Authorities used to allow the payments either as a business expenditure or as something which did not represent a part of the fund on which the assessee was assessable. The practice again is contrary to the spirit of the Act, because if these shares were intended to be taxed in the hands of the principal agents Government would not have exempted them for so many years till the decision in the Pondicherry Railway case was delivered, which judgment is based on a technical

view of the Act. The position is therefore, that although under the terms of the agreements and the understanding of the parties it was the recipient who had to pay the income-tax, the Agency Companies are now required to pay the tax by the tax authorities. These co-sharers agreements are well known to the business community in India, particularly in the Bombay and Bengal Presidencies, and there are a large number of such agreements in force within these two Presidencies under which the Managing Agents of various Companies pay a percentage or share of the commission received by them on the profits of their principals.

Under these circumstances we strongly feel that the principle and incidence of taxation in such cases should be definitely set out in the Income Tax Act and that it will conform to the contracts existing between the payers and the payees if the Income Tax Act definitely provides for an allowance of the deduction of such payments as business expenditure and for the assessment of such payment as income in the hands of the recipient. This is, we feel, in accordance with the true intent and bargain of the contracting parties as understood by the mercantile community and the original intention of the Act.

In England a similar statutory provision has been made whereby a share of the profits paid by Insurance Companies to participating Policy Holders has been allowed as a business expenditure. The principle of this Statutory provision in England should, we consider, be applied to the case of the co-sharers in the manner indicated above.

16. *Appeals against Income Tax Assessments.*

The Chamber has always maintained that the present system is inequitable whereby short of a reference to the High Court on a question of law, appeals can only be made to

officials of the Income Tax Department. The Chamber supported a scheme put forward by the Government of India in 1933 for the inauguration of Tribunals of Appeal to whom any person who is not satisfied with the final decision of the Income Tax Department may appeal on questions of fact as well as law. It was suggested to the Chamber, however, that the right of appeal to the High Court on points of law should be retained though it was recognised that the proposed personnel of the Tribunal would invest it with much of the authority of a High Court Bench. Under the Government of India scheme a Tribunal of three Referees would be appointed, two of whom would be selected from amongst persons who had worked as judges of any of the High Courts of Judicature in India and one would be selected from persons who had worked as Commissioners of Income Tax for not less than three years. The Chamber considered, however, that the Tribunal would be greatly strengthened by the addition of a qualified accountant. Originally it was intended to have two Tribunals for the whole of India. The Chamber felt that two might not be sufficient. On the other hand the cost of having one for each Province would possibly be out of all proportion to the number of references likely to arise. It was assumed, therefore, that the number of Tribunals to be set up would be capable of expansion in the light of actual experience of the volume of appeals.

We are in favour of a scheme on the lines of that suggested in 1933.

17. *Machinery sold or discarded for reasons other than obsolescence.*

We think that Section 10 (2) (*vii*) should be amended to include machinery sold or discarded for reasons other than obsolescence. It seems only reasonable that a machine which

has been scrapped because it has been damaged or has become unserviceable through age should be treated in the same way as machinery put out of use before it is out of date.

18. *Income Tax from Property.*

We think that Municipal taxes should be allowed as a charge for income tax purposes when they are borne by the owner. They are expenses necessarily incurred for the purpose of earning the income from the property and as such there seems no just reason why they should not be allowed.

19. *Life Assurance Companies.*

We have received certain memoranda from Life Assurance Companies since our summary of views on other points was prepared.

It has not been practicable in the time at our disposal to examine these exhaustively.

It will be seen from the copies of them attached* that they have been prepared by very competent authorities and we ask the Committee to give them very careful consideration.

We agree with the main contention, *viz.* that the basis adopted in Great Britain for the assessment of Life Assurance Companies is equitable and should be applied in India.

Supplementary notes forwarded to the Government. Committee of Income-tax Experts.

12. *Company Super Tax.*

The only ground on which the Government Committee criticised the opinion put forward on behalf of the Chamber that Super Tax on Companies ought to be abolished was that undistributed profits would escape Super Tax as a result. This objection can be overcome by making only the undistributed profits of Companies liable to Super Tax.

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* Not printed.

13. *Tax on Dividends of one Company received by another Company.*

Despite the difficulty of the "one man Company" and similar Companies created primarily to avoid individuals bearing Super Tax, we would emphasise the point that the majority of existing Companies who now hold shares in other Companies are deserving of the relief from double Super Tax that is now granted to Investment Trust Companies only, and we are still strongly of the opinion that Government should grant this relief while at the same time putting themselves in a position to stop the inequitable avoidance of Super Tax as a result.

18. *Income from Property.*

In reply to our view that Municipal Taxes should be allowed as a charge for Income Tax purposes when they are borne by the owner of the property it was contended by the Government Committee that they were not in the same category as ground rent or repairs; they were not directly relating to the property as they included items such as cost of education which had nothing to do with the upkeep or expenses of the building and were purely a tax for general purposes similar to Income Tax itself.

We still maintain that they are expenses necessarily incurred for the purpose of earning the income from the property and as such we see no just reason why they should not be allowed, but even if the contrary view prevails we submit that it can only prevail in respect of such portion of the Municipal taxes as are actually not directly in connection with the upkeep of premises. "Water Tax" and "Halalkhor Tax" are clearly relating to the property as also are a number of items in respect of which "General Tax" is levied.

Inequitable results of existing basis.

Generally we ask the Committee to support the view that where, as in the cases of the "Carrying forward of Business Losses" and "Super Tax on Companies," the present basis is admittedly inequitable it is not proper to defer removing the inequity until such time as the Budget permits of this being done as a method of reduction of taxation.

We submit that if an inequity exists it should be removed forthwith even though to do so involves the increasing of taxes which are equitable in their incidence.

DUTY ON BRITISH COTTON PIECEGOODS.

Letter No. 2935/353, dated the 20th November 1935, from the Bombay Chamber of Commerce to the Special Tariff Board, Town Hall, Bombay.

I am directed to address you in response to the invitation conveyed in paragraph 8 of the Resolution of the Government of India, Commerce Department, dated 10th September 1935, on the subject of Tariffs.

2. I am to forward, for the consideration of your Board, the enclosed memorandum, which has been drafted by a Sub-Committee representing those members of this Chamber who are interested in the import into India of cotton piecegoods, cotton yarn and other fabrics, from the United Kingdom. The note is accompanied by two appendices A and B.*

3. In forwarding these papers to you, I am to make it clear that the questions to be considered by your Board, under its terms of reference, are such that it is not possible for the Committee of this Chamber, whose membership includes many important representatives of the Indian

* Not reproduced.

cotton textile industry, as well as the leading houses engaged in the importation of cotton goods from the United Kingdom, to put forward a statement representing the unanimous views of its members as a whole.

4. It will accordingly be understood that the members of this Chamber, who are concerned with the Indian cotton textile industry, do not subscribe to the enclosed memorandum. They are all members, however, of the Bombay Millowners' Association also, which body, my Committee understand, is submitting to your Board the views of the Indian cotton textile industry of which its membership is comprised.

The importers of textiles have no such separate organisation for the collective representation of their side of the case. It is for this reason that the representation put before your Board by this Chamber deals with the question mainly from the importer's point of view.

5. I am to add, however, that the membership of the Chamber includes many other interests of a more general nature, beyond those directly concerned in either the import or the manufacture of cotton and other textiles. All of these members are in one way or another vitally interested in the promotion of trade in general, and most of them are particularly concerned with the fostering of trade between India and the United Kingdom.

On behalf of those members of my Committee who are not engaged in textile business, whether manufacture or import, I am to say that for the reasons indicated they are in sympathy with the point of view put forward in the enclosed memorandum. Their attitude is further influenced by the fact that the terms of reference to your Board seem to make its enquiry largely a matter of fact finding, and the

facts, as stated in the memorandum do appear to justify a reduction of import duties, if the equation of prices postulated in the last sentence of the terms of reference is to be achieved.

IMPORT DUTY ON BRITISH PIECEGOODS.

Report of Special Sub-Committee on the questionnaire issued by the Special Tariff Board.

Prefatory Remarks.

The main body of the Chamber's contentions on the issues before the present enquiry will be found in our answers to the first question of the Tariff Board's questionnaire.

The purpose of this preamble is to emphasize the Chamber's view of the importance of Indo-British trade and the advantages of its maintenance to the country of India as a whole. We wish at the same time to stress the fact that during the period of the working of the Ottawa preferences, the latter have operated very much in India's favour and against the United Kingdom, and the fact that the important concessions to Indian exports made by the United Kingdom have not met with any adequate return from this country. It is in our opinion to be feared that if the existing high and in many cases almost penal duties levied on United Kingdom goods entering India are maintained, existing preferences from the United Kingdom still may have to be modified to the great detriment of Indian export trade.

To this we may add that this Chamber comprising as it does a majority of persons interested in the import and export of commodities supports the world-wide feeling that economic nationalism has gone to such extremes as greatly to aggravate world depression, and that high duties cannot be justified

where, as in the present case, they are unnecessary for protective purposes and show no advantage by way of revenue.

The swing of Indo-British trade in India's favour is shown by the following figures.

In 1927-28 Indo-United Kingdom trade showed a balance of trade in favour of the United Kingdom of Rs. 40 crores, 34 lakhs and in 1928-29 of 43 crores, 34 lakhs. In 1933-34 and 1934-35 the figures were 39 lakhs and 6 crores, 22 lakhs, respectively, or an average improvement of over 35 crores of rupees.

We do not however wish to lend our support to the common fallacy that the value of trade between two countries can be measured in terms of direct shipments only. It is a commonplace that trade balances are adjusted by devious routes—to state a simple example, the hessian cloth bought by the Argentine from India is not paid for by Argentine exports to India, but by Argentine exports of grain to the United Kingdom which in turn ships manufactured goods to India. Even a cursory glance at the figures of world trade will show the extreme likelihood, if not the certainty, that India's favourable trade balances with numerous foreign countries are only made possible by the heavy purchases by the United Kingdom from those countries. The fact is that the United Kingdom is the only country in the world with some £300 millions per annum to spend on imports in excess of her exports; and specially favoured treatment in this, the world's greatest consuming market, has a value which should require no further proof.

To endanger this favoured position by unnecessarily severe treatment of imports from the United Kingdom would in this Chamber's opinion be an act of criminal folly from the Indian point of view.

This Chamber has consistently maintained the attitude that adequate protection should be given to the Indian mill industry, and has never lost sight of the importance of that industry to the country as a whole and to Bombay in particular. In the present case, however, both statistics and experience indicate that the existing duties on Lancashire cloth and yarn are far higher than is necessary to secure that adequate protection. We believe therefore that the considerations mentioned above are of sufficient weight to warrant a plea for the reduction of import duties on cloth imported from the United Kingdom and have indicated the level at which these can, in our opinion, be fixed without detriment to local industry and with marked advantage to India's foreign trade.

Questionnaire.

The existing Customs duties on the undernoted goods of British manufacture imported from the United Kingdom into British India are :—

	Class of goods.	*Rate of duty.*
(*i*)	Cotton twist and yarn, and cotton sewing or darning thread—	
	(*a*) of counts above 50s	5 per cent. *ad valorem.*
	(*b*) of counts 50s and below	5 per cent. *ad valorem* or 3½ annas per lb. whichever is higher.
(*ii*)	Cotton fabrics not otherwise specified containing more than 90 per cent. of cotton—	
	(*a*) grey piecegoods (excluding bordered grey chadars, dhotis, saris and scarves).	25 per cent. *ad valorem* or 4⅜ annas per lb. whichever is higher.
	(*b*) cotton piecegoods and fabrics not otherwise specified.	25 per cent. *ad valorem.*
(*iii*)	The following cotton fabrics, namely, sateens including italians of sateen weave, velvets and velveteens and embroidered all-overs.	25 per cent. *ad valorem.*

Class of goods.	*Rate of duty*
(*iv*) Fabrics not otherwise specified containing not more than 10 per cent. silk or 10 per cent. artificial silk or 10 per cent. wool, but containing more than 50 per cent. cotton and not more than 90 per cent. cotton.	25 per cent. *ad valorem*
(*v*) Fabrics not otherwise specified containing not more than 10 per cent. silk but more than 10 per cent. and not more than 90 per cent. artificial silk—	
(*a*) containing 50 per cent. or more cotton.	30 per cent. *ad valorem* or 2 annas per square yard whichever is higher.
(*b*) containing no cotton or containing less than 50 per cent. cotton.	30 per cent. *ad valorem* or 2½ annas per square yard whichever is higher.
(*vi*) Fabrics not otherwise specified containing more than 90 per cent. artificial silk.	30 per cent. *ad valorem* or 2½ annas per square yard whichever is higher.

Question 1. What has been your experience of the effectiveness of the above duties ?

Answer to Question 1.—Customs duties on British piece-goods since the war have been as follows :—

Until April 1930	11 per cent. *ad valorem*.
From April 1930	15 per cent. *ad valorem*. (if grey 15 per cent. or 3½ as. per lb. whichever is higher.)
From March 1931	20 per cent. *ad valorem*. (grey 20 per cent. or 3½ as. per lb.)
From October 1931	25 per cent. *ad valorem*. (if grey 25 per cent. or 4⅜ as. per lb.).

The increases in duty followed so closely one upon the other that it is difficult to draw conclusions as to the effect of each

separate increase on the import of textiles from the United Kingdom. Save therefore for a comparison between the year before and the year after the first increase (1929-30 and 1930-31) we propose to examine the effect of the total increases of duty between March 1930 and October 1931 from 11 per cent. to 25 per cent. in conjunction with specific duties.

The accompanying table, Appendix 'A', gives figures of imports of cloth from April 1926-27 till March 1934-35, and figures for the same period of imports of cotton yarn, and the production of cloth and yarn in India. These figures are taken from the Seaborne Trade and Navigation Returns. A comparison of the first triennial period with the last gives the following conclusions:—

(1) Imports of British piece-goods have fallen from approximately 1,500 million yards per annum under 11 per cent. duties to 500 million yards per annum under the existing duties.

(2) Imports of British yarn have fallen from approximately 20 million lbs. to 10 million lbs. per annum. In this instance also it is worth noting that the total of British imports is negligible in comparison with the Indian production, and amounts to only 1 per cent. of the latter.

(3) On the other hand the production of cloth in India has expanded by approximately 1,000 million yards or 50 per cent. during the same period.

(4) The production of yarn in India shows an increase of about 200 million lbs. or 25 per cent. during the same period.

Revenue obtained from customs duty.—Although separate figures for duty on British piece-goods during 1926-7 to 1928-9 are not given in the official trade returns, a calculation based on the proportion of imports indicates that the duty amounted

to an average of 550 lakhs during those years. During the last three years duties have amounted to only 290 lakhs, 210 lakhs and 281 lakhs, in spite of the higher rates charged. From the point of view of increased revenue therefore these duties have been a conspicuous failure.

Specific duties.—In our opinion the imposition of specific duties on British piece-goods has never been justified. This type of duty has been consistently opposed by all commercial interests, and though the Chamber's views on this point have been sufficiently ventilated on various previous occasions it may be as well to summarise them here.

Specific duties—

(1) are unstable and when prices advance or decline either become ineffective or unduly burdensome.

(2) cause extra expense and labour in the Customs department, involving additional staff and additional examination.

(3) harass unnecessarily shipper and importer who have to furnish a lot of additional and often unnecessary information, and cause delay and expense in clearing while the Customs are checking the information supplied in the Home Invoices by actual examination and test of the contents of a percentage of each consignment.

In amplification of the disadvantages of specific duties we would refer you to the Bengal Chamber of Commerce's letter to the Tariff Board No. 3225 of the 5th October 1932, which shows that the system of specific duties is generally inequitable and unworkable.

Specific duties were originally extended to Lancashire goods as a measure of political bargaining. Sir (then Mr.)

Shanmukham Chetty's amendment in the Assembly of 1930 was accepted as the price of opposition support and not on its own merits. The only occasion on which we consider specific duties may be justified is when an emergency measure is needed to counteract organised dumping. No such dumping has ever, so far as we are aware, been alleged against United Kingdom exporters, and such duties are quite unsuitable for application to United Kingdom goods.

Subsequent developments have increased the amount of these specific duties, but they are, we believe, admitted by all sections of the trade to be not only excessive but entirely unnecessary, as the goods in receipt of their special protection could not as a rule be imported from Lancashire even under the ordinary *ad valorem* duties. The standard grey shirtings recently sold by the Bombay cotton mills at 9 annas 3 pies to 9 annas 5 pies per lb. cannot be produced any cheaper in Lancashire than in Bombay and we consider that any special measure of protection in these styles is altogether superfluous.

We have therefore confined our researches to establishing a rate of *ad valorem* duty which will give adequate protection to the local industry while enabling Lancashire to retain the part of the trade which she is specially adapted to handle.

We do not think it necessary to deal at any length with the details of the decline of Lancashire trade with India under the present duties, as this is illustrated sufficiently by the statistics we have quoted, and is also a matter of common knowledge to all those engaged in the cloth trade. As regards the present position of competition between the United Kingdom and Indian Mills, we attach a list of competing qualities with prices under Appendix 'B'.* From these the

* Not printed.

general conclusion may be drawn that Indian Mill prices are often actually cheaper than the c.i.f. rates for British goods, and in no case are they more than 15 per cent. dearer. The substantial reduction in cloth imports from the United Kingdom during the period when 15 per cent. duties operated in 1930 is a further indication that this rate is by no means lenient to United Kingdom imports.

Cotton Yarns.—The specific duties on yarns below the count of 50s have killed British trade in these yarns to the general detriment of consumers of high grade yarns. Reference to the price lists of the Chamber of Commerce or the Millowners' Association will show that stocks of such British yarns are non-existent.

In fine yarns of above 60's no mill production is being sold in the yarn market. There is a small import of British yarns of counts of 50's to 52's which may be said to compete with Indian mill yarns, but here the United Kingdom prices are appreciably higher than the mill prices.

Raw Cotton.—Much has been made of the services rendered by the mill industry to the cotton grower in this country. In this connection we must point out that the recent expansion in the mill industry has been largely by means of using imported cotton. In 1932-33 466,000 bales were imported, in 1933-34 235,000 bales, while in 6 months this year 275,000 bales have been imported. Meanwhile the increase in the use of Indian cotton from 1927 to 1935 has been only 10 per cent. In the meantime Lancashire has been largely expanding its use of Indian cotton and took 362,000 bales in 1933-34 and 390,000 bales in 1934-35.

We feel also there has been an exaggeration of the importance of the local industry in the matter of employment. The total operatives employed in 1934 according to the

Millowners' Association was 384,938 or about one tenth of one per cent. of the population.

Summary of Conclusions.

(1) That the existing duties have reduced British imports to ⅓ of their former volume.

(2) That the estimated benefit to the revenue from the increased duties has not been realised.

(3) That no justification has been shown for the imposition of specific duties on United Kingdom cloth.

(4) That such duties are prohibitive and should be removed.

(5) That there is no special ground for differentiating between one class and another of piece-goods imported from the United Kingdom, and that a flat rate of *ad valorem* duty is the most appropriate method of assessment.

(6) That prices for Indian mill goods vary from cheaper than United Kingdom goods to 15 per cent. dearer.

(7) That the import of English yarn has been reduced to a negligible figure and that very rarely does it compete with Indian yarn in the yarn market.

(8) That the specific duty on yarns below 50's has resulted in the complete abolition of the import of United Kingdom yarns of such counts, to the detriment of the hand-loom weaver.

Recommendations.

We recommend that the following duties be imposed on textiles from the United Kingdom.

(1)	Cotton twist and yarn, and cotton yarn and sewing thread	5 per cent. *ad valorem*.
(2)	Cotton piece-goods generally	15 per cent. *ad valorem*.
(3)	Artificial silk goods and artificial silk mixtures	20 per cent. *ad valorem*.

Question 2.—(*a*) Please state under appropriate heads, giving in every case correct trade descriptions, the principal classes of goods other than yarns imported from the United Kingdom, which enter into competition, directly or indirectly, with similar goods produced in India.

(*b*) Please state under appropriate heads, giving in every case correct trade descriptions, the principal classes of goods other than yarns produced in India, which enter into competition, directly or indirectly, with goods imported from the United Kingdom.

(*c*) Please give the following particulars regarding one or more kinds of cloth, included in each of the classes above referred to, which may be regarded as typical of that class :—

(*i*) dimensions and weight;
(*ii*) counts of warp and weft;
(*iii*) reed and pick;
(*iv*) number of square yards per lb. of cloth in the finished state.

(*d*) Please supply four sets of representative samples of each type of cloth in respect of which particulars are given.

N.B.—In the case of cotton piece-goods please differentiate between classes (*e.g.* grey, bleached, woven—coloured, dyed, printed) and styles (*e.g.* grey shirtings, white shirtings, bordered dhotis, nainsooks, etc.).

In the case of mixture fabrics of cotton and artificial silk, please show separately bordered dhotis and other varieties in style and in addition to the above noted particulars give the percentage of material contents.

Question 3.—Please prepare a statement in the form attached as Appendix A showing for each of the past five working years and also, if possible, for the current year or portion thereof the total works expenditure at your mill of factory. Please also state—

(*a*) particulars of equipment, capacity and output;
(*b*) dates at which the principal items of plant and machinery were originally installed, with dates of any substantial extensions and renewals, and the amounts of expenditure incurred thereon.

The Board will undertake, if so desired, not to disclose the identity of the mills of which costs are supplied or to publish any figures given in reply to questions 3, 4 and 7.

Question 4.—Please prepare a statement in the form attached as Appendix B(*b*) showing for each of the last five working years and also, if possible, for the current year or portion thereof costs data per unit of typical kinds of cloth mentioned in reply to question 2.

N.B.—In the case of those items of expenditure which are not directly charged to each kind of cloth, the method by which the total expenditure at the mill is allocated among the different kinds of cloth should be explained.

Question 5 (*a*).—Please prepare a statement showing for each of the last five years, that is from 1930-31 and also for the current year landed prices of typical kinds of comparable cloth imported from the United Kingdom, mentioned in reply to question 2.

N.B.—Customs duties should be excluded from landed prices which however should include prices c.i.f. *plus* landing charges at port of entry and, in the case of goods for upcountry destinations, additional freight and forwarding charges.

(*b*) Wholesale prices, with the details of selling commissions or selling charges, at important distributing centres of imported goods mentioned in reply to question 5(*a*) should also be given.

Question 6 (*a*).—Please state under appropriate heads the principal classes of yarns imported from the United Kingdom which enter into competition, directly or indirectly, with similar yarns produced in India.

(*b*) Please state under appropriate heads the principal classses of yarns produced in India which enter into competition, directly or indirectly, with yarns imported from the United Kingdom.

Question 7.—Please prepare a statement in the form attached as Appendix B(*a*) showing for each of the last five working years and also, if possible, for the current year or portion thereof costs data per unit of typical classes of Indian yarn competing with similar classes of imported yarn.

N.B.—In the case of those items of expenditure which are not directly charged to each kind of yarn, the method by which the total expenditure at the mill is allocated among the different kinds of yarn should be explained.

Question 8 (*a*).—Please prepare a statement showing for each of the last five years, that is, from 1930-31, and also for the current year landed prices of typical classes of comparable yarns imported from the United Kingdom which enter into competition, directly or indirectly, with similar yarns produced in India.

N.B.—Customs duties should be excluded from landed prices which however should include prices c.i.f. *plus* landing charges at port of entry and, in the case of yarns for upcountry destinations, additional freight and forwarding charges.

(*b*) Wholesale prices, with the details of selling commissions or special charges, at ports of entry and at important distributing centres of imported yarns mentioned in reply to question 8(*a*) should also be given.

Questions 2, 4, 5, 6 *&* 8 appear to us to have been framed solely from the millowners point of view, and no mention is made of the numerous classes of goods imported from the United Kingdom which have ceased to compete with Indian mill goods owing to the prohibitive customs duties.

We believe, however, that the information which the Tariff Board requires will be found in our Appendix "B"* which is a list of competing qualities supplied for the information of the Board and contains details of c.i.f. prices and landed prices together with bazaar prices of both imported and mill made cloth and yarns, samples of which are sent herewith.

In addition however to the samples given of competing qualities it should be remembered that numerous qualities of grey shirtings and drills, heavy coloured goods, and dhoties from the United Kingdom have ceased to compete owing to the existing exorbitant duties. These qualities should however by no means be leftout of account in calculating the comparative costs of manufacture in the United Kingdom and India.

* Not reproduced.

Question 9.—Have you any reason to believe that yarns or cloth imported from the United Kingdom have been or are being landed in India at unremunerative or unduly inflated prices? If so, please state your reasons fully and quote evidence on which you rely.

Answer to Question 9.—No, in our opinion the charge of dumping cannot be laid against Lancashire. It is of course impossible for a large and uncoordinated industry to maintain an altogether uniform standard of price and this is found in both Lancashire and India. It is also unreasonable to fix a standard profit of say 6 per cent. to be made by manufacturing companies and to allege that if the profit made is only 4 per cent. there is dumping, and if 8 per cent. there is profiteering. The safeguard in this case is that the cloth market in Manchester is an open one where any buyer can buy any cloth for any destination in the world at the best price he can.

In stating that no charge of dumping can be laid against Lancashire, we do not deny that there are exceptions to every rule. Speaking solely from an importers point of view, high duties and competition from Indian mills and Japan in our opinion have curtailed to a minimum the policy of anticipatory purchases which used to be a feature of the Lancashire piecegoods trade to India in the past. That such a policy to a minor degree is still pursued is not denied. Such anticipatory purchases may meet with unfavourable circumstances, and may have to be cleared below replacing cost, but this cannot be used as an argument that Lancashire is dumping piece-goods into India.

Possibly the fact that high Indian duties have forced mills largely relying on the Indian market into bankruptcy may be put forward as unremunerative selling. This may be so, but it is an inversion of logic to blame the mill for such a state of affairs. Similarly losses disclosed in Balance

Sheets are probably not incurred by sales below cost, but by inability to secure the turnover under the present adverse conditions for which the mill or concern was erected in times of prosperity.

In any case, however, it is generally considered that such mills as were in difficulties have now been eliminated, and recent selling agreements have enabled British manufacturers to show a much stronger and more level front to buyers.

Question 10.—Have you any reason to believe that yarns or cloth manufactured in the United Kingdom similar to typical kinds of imported yarns and cloth mentioned in reply to questions 8 and 5 have been or are being exported at relatively higher or lower prices to markets outside British India? If so, please state places, prices and reasons, so far as you are aware.

Answer to Question 10.—No we have no reason to believe this.

Question 11.—In your experience, have the existing duties had the effect of stimulating or retarding the development of the industries concerned, including the handloom industry?

Answer to Question 11.—To a small extent the excessive duties now imposed on cloth imports from the United Kingdom have operated as a bonus to the Indian mill industry, but as United Kingdom imports have largely been replaced by cheaper Japanese goods the total beneficial effect has been small, and out of proportion to the damage done to the country by the dislocation of trade and the raising of prices to the consumer in those styles which are still required from the United Kingdom.

The handloom industry is unaffected by United Kingdom cloth imports, but has been hard hit by the specific duties on British yarn, which make it impossible for weavers to obtain the high grade warps on which they were accustomed to rely.

Question 12.—Has the industry in which you are interested been affected by displacement of cotton goods by imports from the United Kingdom of fabrics of artificial silk or of mixture fabrics of cotton and artificial silk, and, if so, to what extent ?

Answer to Question 12.—Imports of artificial silk goods and artificial silk mixtures from the United Kingdom are very small and amount to less than 5 per cent. of the total artificial silk imports. They consist chiefly of dress fabrics and superior styles, in which there is no competition from local mills, though there is keen competition from Japan.

Specific duties are inappropriate, as there is no evidence of cheap selling. Such duty as is imposed should be for revenue purposes only. In deciding this, it should be remembered that artificial silk goods are no longer an article of luxury, and we therefore recommend an *ad valorem* duty of 20 per cent.

APPENDIX "A".

Imports of Cotton Piece-goods and yarn, for the official years ending 31st March 1927 to 1935.

	Imports of Cotton Piece-goods from U.K. Yards.	Imports of Cotton Yarn from U.K. Lbs.	Production of Cloth in India. Yards.	Production of Cotton yarn in India. Lbs.
1926-27 ..	1,457,366,236	20,106,156	2,258,716,065	807,116,133
1927-28 ..	1,530,125,274	20,559,641	2,356,564,805	808,940,373
1928-29 ..	1,442,586,023	23,094,208	1,893,268,655	648,283,337
1929-30 ..	1,285,083,028	20,111,892	2,418,981,049	833,559,849
1930-31 ..	520,897,343	10,314,913	2,561,133,035	867,278,562
1931-32 ..	376,996,183	11,912,340	2,989,891,101	966,406,632
1932-33 ..	586,405,419	13,357,065	3,169,898,949	1,016,421,864
1933-34 ..	414,751,637	9,952,435	2,945,051,727	921,060,623
1934-35 ..	552,245,438	9,783,592	3,397,107,287	1,000,755,803

PROPOSED PROTECTION TO THE INDIAN WOOLLEN MILL INDUSTRY.

General Questionnaire issued by the Tariff Board.

REPLIES DRAWN UP BY THE SPECIAL SUB-COMMITTEE OF THE BOMBAY CHAMBER OF COMMERCE.

NOTE.—This questionnaire is intended primarily for importing houses, and piece-goods merchants. Question 3 has already been asked, in a different form, in a communication to certain Chambers and Associations, and need not be answered by those who have already dealt with that communication.

Question 1.—What are your principal lines of imports of Woollen goods? From which countries do you import them? In what proportions?

Question 2.—What classes of your imports have shewn a tendency to increase or decrease in recent years, say, in the last 5 years?

Question 15. What has been the effect of the successive increases of duty since 1931 on your sales and market prices?

Answers 1, 2 and 15.—These questions can only be answered by individual firms. The general tendencies of the trade over the past 5 years should be ascertainable from the published statistics.

Question 3. Please state for as many years as you have records the c. i. f. and wholesale market prices at port of your principal typical imports, comparable with the Indian products (as illustrated in the enclosed statement), Landing and other charges and duty should be shewn separately. Please give the causes of any considerable variations during these years. Do the changes correspond to changes in general wholesale prices?

Answer 3.—The statistics asked for have already been supplied as envisaged in the note at the beginning of the the questionnaire.

Question 4. How do you regard these imported goods as comparing in price and quality with the comparable Indian goods? Illustrate your answer with reference to a selected typical article.

Answer 4.—Most imported goods are different from the Indian manufactured goods and are not comparable either

in quality or price except in the case of coarse serges, great coat cloth (army cloth) and flannels where the price of the imported article including duty is about on a level with the price of the Indian manufactured article.

Question 5. What are the usual terms of business for the handling of imported goods ?

Question 6. What is the usual procedure for the distribution of foreign goods to the upcountry markets ? What are the freight charges to your principal markets and commission paid to middlemen, if any ?

Answers 5 and 6.—Woollen goods are usually imported against indents from bazaar dealers at C.I.F.C.I. prices, delivery against cash or credit up to 60 days. These indenting dealers in turn re-sell to wholesale or retail dealers in upcountry markets. The goods after reaching the indentor are not usually re-sold on a commission basis. The profit of the upcountry dealer depends on the state of the market. The present railway freight on woollen piece-goods from Bombay to the undermentioned stations is as follows :—

From Bombay To	Per maund at O.R.			Per maund at R.R.		
	Rs.	as.	ps.	Rs.	as.	ps.
Delhi	2	9	3	3	6	11
Indore	1	7	9	1	15	3
Ajmere	1	13	5	2	7	0
Cawnpore	2	4	2	2	15	3
Amritsar	2	14	10	3	13	3

Question 7. Have you any reason to suppose that the prices at which foreign producers sell for export to India are below the cost of production ? Are there to your knowledge any special factors existing to account for the intensive competition from certain foreign countries during the last few years, factors which are not likely to continue indefinitely ?

Answer 7.—We have no reason to suppose that the prices at which foreign producers sell for export to India are below

the cost of production and as far as we are aware there are no factors affecting competition from foreign countries which are not likely to continue indefinitely.

Question 8. It has been said that Indian production is unable to meet the modern Indian demand for a superior or more attractive class of goods. Given an assured market, do you think the Indian mills will be able to meet this demand in the near future?

Answer 8.—We do not think that Indian mills will be able to meet in the near future the demand for the superior or more attractive class of woollen goods.

Question 9. It is alleged that imported articles of shoddy or of mixed materials are competing indirectly with pure wool Indian articles. Can you express in terms of money value the intrinsic difference of quality between them? Please attempt to do this in respect of selected competing articles.

Answer 9.—It is very difficult to express in general terms of money value the intrinsic difference of quality between imported articles of shoddy or of mixed material and pure wool Indian articles. We do, however, submit the following samples, marked as below, and compared with approximately corresponding Indian articles :—

SAMPLES.

Made Abroad.	Made in India
Imported A.—Italian Plain Meltons, 51″—90 percent. Shoddy—Weight about 14 ozs. per yard—Price *Sh.* 1/1½*d.* C.I.F.	*Indian A.*—Indian Coarse Serge, 53″—Price Rs. 3-0 per yard.
Imported B.—Italian Plain Meltons, 51″—90 percent. Shoddy—Weight 14/15 ozs. per yard price *Sh.* 1/4*d.* C.I.F.	*Indian B.*—Indian Blazer Cloth 53″ Price Rs. 3-8 per yard.
Imported C1.—Italian Check Saya, 51″—92 percent. Shoddy—Weight 17/18 ozs. per yard *Sh.* 1/7½*d.* C.I.F.	*Indian C.*—Indian Union Cloth 53″—Price Rs. 3-8 per yard. (No corresponding Indian goods in Check and striped designs are available).
Imported C2.—Italian Check Saya, 52″—100 per cent. Shoddy—Weight 15/16 ozs. per yard *Sh.* 1/6½*d.* C.I.F.	

MADE ABROAD.	MADE IN INDIA.
Imported C3.—Polish Tweed, 53/54″ 100 per cent. Shoddy—Weight 16 ozs. Per yard *Sh.* 1/4*d.* C.I.F.	
Imported C4.—Polish Check Meltons, 53/54″—98 per cent. Shoddy—Weight 18 ozs. per yard *Sh.* 1/3*d.* C.I.F.	
Imported D.—Italian Saya, 52″ 100 per cent. Shoddy—Weight 16 ozs. per yard *Sh.* 1/6½*d.* C.I.F.	*Indian D.*—Indian Broad Cloth 53″—Price Rs. 3-0 per yard.
Imported E.—Italian Plain Saya, 51″—100 per cent. Shoddy—15/16 ozs. *Sh.* 1/6½*d.* C.I.F.	*Indian E.*—Indian Blazer Cloth, 53″—Rs. 3-14 per yard.
Imported F.—Polish Khaki Cloth, 53″—100 per cent. Shoddy—17 ozs. *Sh.* 1/9*d.* C.I.F.	*Indian F.*—Indian Khaki Cloth, 53″ Rs. 5-4 per yard.
Imported G.—Italian Chester Cloth 52″—100 per cent. Shoddy—13½ ozs. *Sh.* 2/3*d.* C.I.F.	*Indian G.*—Indian Chester Cloth, 53″—Rs. 4-10 per yard.
Imported H.—Polish Doubleface Cloth, 54″—100 per cent. Shoddy, Lb. 1-14 ozs. *Sh.* 3/2*d.* C.I.F.	*Indian H.*—Indian Doubleface Cloth, 54″—Rs. 4-8 per yard. (This quality is much lighter than the imported quality. No heavier Indian quality is available).
Imported I.—Italian double Rug, 54″×92″—80 per cent. Shoddy—Weight Lbs. 5 *Sh.* 5/6*d.* C.I.F.	*Indian I.*—Indian single Rug. 54″×92″ Weight about Lbs. 2/12 ozs. Rs. 5-4.
Imported J.—Italian double Rug 54″×92″—100 per cent. Shoddy—Weight Lbs. 4/14 ozs. *Sh.* 6/9*d.* C.I.F.	*Indian J.*—Indian single Rug, 54″×92″—Weight Lbs. 2/8 ozs. Rs. 6-0.
Imported K.—Italian double Rug, 60″×90″—100 per cent. Shoddy—Weight Lbs. 5/12 ozs. *Sh.* 12/3*d.* C.I.F.	*Indian K.*—No samples available. There is a fine Indian quality known as Rug No. 1506, similar to the imported quality, Imported K, and sold in the market at Rs. 25-0 in 60″×90″. Another similar quality, comparable to Imported K, and called "Rug Prince" in 60″×90″, costs Rs. 30-0 per piece.

The above samples do not represent similar articles, as there are no Indian articles made of Shoddy. They represent, however, corresponding articles, where the Indian article is made of pure wool. The intrinsic difference can be ascertained by comparing the corresponding samples and the respective prices. The price for imported articles is shown

in English Currency, C.I.F. Indian Ports; to reach the market price, duty has to be added.

Question 10. Is it your experience that imports of articles containing a mixture of pure wool and shoddy and wool and cotton have been stimulated by the recent charges in the wool tariff?

Answer 10.—There is no doubt that there has been an increase in the demand for mixtures and shoddy goods as compared with pure woollen goods during recent years. We are of opinion that this demand has not been stimulated to any great extent by the recent changes in the tariff. The demand is due more to the decreased buying power of the consumer coupled with the improved appearance of the imported mixture and the shoddy clothes.

Question 11. Have you any knowledge that articles manufactured wholly or partly of synthetic wool from jute have been imported into India?

Answer 11.—We have no knowledge of any importation into India of articles manufactured wholly or partly of synthetic wool from Jute.

Question 12. Are there any recognized differences of quality between Japanese, French, Italian, English and other European imports of the same class?

Answer 12.—There are no recognised differences of quality between Japanese, French, Italian, English and other European imported goods of the same class.

Question 13. Do you consider that the signs of a growing preference on the part of Indian consumers for cheaper qualities of woollen goods than those ordinarily produced in India are due to decreased purchasing power?

Answer 13.—The growing preference on the part of Indian consumers for cheaper qualities of woollen goods than those ordinarily produced in India is undoubtedly due to decreasing purchasing power.

Question 14. Can you state from your experience whether there is taking place an increased demand for articles made of wool?

Answer 14.—In our experience there is an increased demand for articles made of wool including shoddy and mixtures.

Question 16. What in your opinion has been the effect of the Rs. 1-2-0 minimum specific duty? Do you know if it has adversely affected any imports which do not compete with Indian goods and if so, which?

Answer 16.—The chief effect of the minimum specific duty has been to raise the price in India of those woollen goods on which the specific duty is levied and to encourage the importation and use of mixture and shoddy goods. The minimum specific duty has adversely affected those imported pure wool goods whose price in India has been raised as mentioned above. These goods contain many styles which do not compete with Indian manufactured goods.

Question 17. The great bulk of Indian wools can be used only for the coarsest woollen textiles and carpets. Have you any suggestions to make for the improvement of Indian wools? Are you in favour of a small tax on imports of raw wool to be devoted to this purpose? To what extent is improvement to be expected by better methods of breeding and feeding?

Answer 17.—We have no suggestions to make for the improvement of Indian wools and are not in favour of a tax being placed on imports of raw wool for the purpose of improving Indian wools. We understand that even if attempts are made to improve the breeds by importing pedigree stock this will not result in improving the quality of wool as one essential for this is correct feeding and adequate grazing. We believe that experiments have already been made in this direction but without success.

Question 18. Do you know anything of the trade in "lambs wool" which it is alleged results in the destruction of the ewes? Would you be in favour of its suppression?

Answer 18.—We are aware that the slaughter of ewes for lambs wool from the unborn lamb is increasing and resulting in wanton destruction of both the mother and the unborn lamb and will, if not checked, adversely affect supplies of wool in the future. We are strongly in favour of the suppression of the slaughter of ewes and lambs for the purpose of obtaining the wool of the unborn lamb, by making the export of lambs wool on the pelt illegal.

Question 19. Do you know anything of the managing agency system in relation to the woollen mill industry? Have you any reason to suppose that the system has affected the industry adversely?

Answer 19.—We have no reason to suppose that the managing agency system has adversely affected the Indian woollen mill industry.

Question 20. Do you know anything of the marketing methods prevalent in the industry? Have you any suggestions to make for the improvement of those methods?

Answer 20.—Different mills market their products in different ways and we are not in a position to say which is the best nor have we any suggestions to put forward in connection therewith.

Question 21. Have you any reason to suppose that the present organisation of the mill industry is ill adapted to meet foreign competition and do you think that some rationalisation with a view to specialising in particular products could be introduced?

Answer 21.—No.

Question 22. Has any material change taken place since 1932 in the exchange factor, affecting the power of any foreign manufacturer to compete in India?

Answer 22.—Excepting the case of the depreciation of the Yen there has been no material change in the exchange

factor affecting the power of foreign manufacturers to compete in India.

Question 23. Do you regard the wool industry as being one of the industries of national importance, in the sense that " they are essential for purposes of national defence " and as such should, if necessary, be adequately protected, irrespective of the general conditions laid down for the protection of industries (Fiscal Commissioner's Report) ?

Answer 23.—No.

Question 24. Do you regard the Industry as satisfying the three major conditions laid down by the Fiscal Commission ?

Answer 24.—We consider that the Indian woollen mill industry does not fulfil the three major conditions laid down by the Indian Fiscal Commission as essential before an industry can qualify for protection.

Question 25. If it be found essential for the safeguarding of the woollen textile industry that some protection should be given, what in your opinion would be—

(*i*) the form it should take,

(*ii*) the period for which it should be imposed,

(*iii*) the imported goods against which protection should be given ?

Please consider in your answer the effect of your proposals on the handloom and hosiery industries.

Answer 25.—If it is the intention to grant protection for the purpose of enabling the existing industry better to compete with imported goods of the same class as are produced in India—

(*i*) Higher rates of duty.

(*ii*) 3 to 5 years.

(*iii*) Woollen blankets, shawl cloths, coarse serges, great coat cloth (army cloth) and flannels.

Alternatively, if it is the intention to grant protection for the purpose of encouraging the extension of the industry

into those lines not now manufactured, then a quota system might be introduced on the basis of the imports from all countries during the last 10 years and the present rates of duty be retained for purposes of protection in the event of their lapsing as revenue duties.

Question 26. Do you consider it proper that protection should be given against goods of mixed wool and other materials and against qualities of materials which are not made in India but which indirectly compete against Indian goods in the sense that they are preferred by the Indian consumer? If so, what proportion of wool in a mixed fabric would you regard as sufficient to justify its treatment on the same lines as a pure wool fabric for customs purposes?

Answer 26.—We are definitely opposed to protection being given against goods of mixed wool and other materials and against qualities of materials which are not made in India.

Question 27. If you are in general opposed to protection being given to the industry, would you be in favour of a temporary protection in order to enable the industry to adapt itself to the changes which have apparently taken place in the tastes of the consumer?

Answer 27.—As already stated we are opposed to any protection whatsoever being given to the industry either temporary or permanent as we consider that the industry is already afforded considerable protection by the present revenue duties.

WORKMEN'S COMPENSATION ACT: DEFENCE UNDER SECTION 3 (1)(b)(ii).

EX-PARTE:—The Bengal Chamber of Commerce.

Re: Workmen's Compensation Act: Defence under Section 3 (1) (b) (ii).

ADVICE.

I. I must preface my advice by stating that the series of reports relating to cases under the English Act (B.W.C.C.)

are not available to me, and that, as regards cases only reported in such series, it has been necessary to rely on precise in Digests.

I am of opinion, however, that the authorities available in the authorised Law Reports are sufficient to enable me to advise in this matter.

2. I am not prepared to advise, without qualification, that the learned Judge's statement of the law in the judgment of which a copy accompanies my instructions (Shaik Hafiz V. Meghna Jute Mills) is wrong but I think that it would be accurate to say that the learned Judge uses phraseology which may be construed as holding that the duty of the employer is more onerous than that imposed on him by law.

3. It will, I think, be most convenient, therefore, if I advise Client as to the onus of proof which, in my opinion, is on an employer desiring to establish a defence under the above sub-section.

4. I agree with the view of Client that the facts which the employer must prove are the following :—

1. Existence of the rule: (or, in the case of an order, that it was expressly given to the workman).
2. Knowledge on the part of the workman of the existence of the rule.
3. Wilful disobedience by the workman of such rule or order.

But I am of opinion that Client has not appreciated the extent of the onus implicit in proof of 'wilful disobedience' of a rule, *viz.* that the employer must establish that the disobedience was 'wilful' in the sense in which that word has been construed by the English Courts, and that the rule was a real and effective rule. The word 'wilful' was construed by Lord

Mersey (in Johnson v. Marshall Sons Co., Ld. (1906) A.C. 409, 411), as meaning 'deliberate', as distinguished from a thoughtless act done on the spur of the moment. Lord Atkinson (in Bist v. London S. W. Rly. (1907) A.C. 209) enunciated the following definition.

"If a man breaks a rule, knowing at the time he is breaking it, and is not compelled to break it by some superior power which he cannot resist, he is guilty of a wilful breach of it." Lord James of Hereford, in the same case, suggested that 'wilful' must mean not only intentional breach of the rule, but also wilful with intention to be guilty of misconduct.

To constitute a wilful act of disobedience there must therefore be knowledge that the Act constituted disobedience *i.e.* the infringement of a real and effective direction or prohibition.

As to what constitutes a real and effective rule or prohibition, the employer must prove that it was a rule or prohibition which was enforced, not a rule or prohibition the breach of which was 'winked at' by him.

Lord Atkinson (in Barnes v. Nunnery Colliery Co., Ld. (1912) A.C. 44) said:

"I quite agree that an employer should not be permitted to shield himself from liability by merely posting up a notice prohibiting some practice in his work, when he has tacitly permitted the practice to be followed:

'Winked' as it is called, at the disregard of his orders."

In the same case, Lord Mersey, referring to the case of Robertson v. Allan 77 L.J. (K.B.) 1072, said:

"In the latter case, the Master of the Rolls pointed out that the violation of the rule against the use of the skid for reaching the vessel was 'winked at' by the employer: in other words that it was no prohibition at all."

As an example of this kind of case may be cited that of Mellor v. Ashton Bros. Co. (14 B.W.C.C. 131) in which it was held that a prohibition against climbing over a machine while running was not a genuine prohibition, since its infraction was disregarded in the presence of the overlooker, who did not attempt to stop the workmen from so doing.

5. In my opinion, in view of these authorities, the onus on the employer includes that of proof that the rule has not to his knowledge or to that of his subordinates in charge of or overlooking the work done by the Claimant, been infringed with impunity: that there has been no open disregard of the rule.

He can, in fact, only adduce this proof if his management is efficient and does not afford opportunity to the workman flagrantly to disregard the rule without his actual knowledge.

As is indicated by Lord Atkinson, in A. G. Moore v. Donelly (1912) A.C. 329, 347, a rule (other than a statutory rule) may be waived though conduct and slackness of management.

Though there are dicta which might be construed as extending the waiver of rules to cases in which the employer had no actual knowledge of the infringement, I think that the position in law is that, in order to establish that the rule was a real and effective rule, a genuine direction or prohibition, the proof to be adduced by the employer is limited to the evidence above indicated.

In my view, he is not under any onus to establish that in fact, no opportunity was afforded to workmen surreptitiously to infringe the rule.

This is I think indicated by a passage in the judgment of Lord Mersey in the case of Barnes v. Nunnery Colliery Co. mentioned above.

"Nor is it as if the rule forbidding the act was notoriously disobeyed or not enforced. It was disobeyed, no doubt but it was disobeyed surreptitiously and unknown to the employers." "The act was in my view, expressly prohibited, and there were no circumstances which could in any way justify the boy in disregarding the prohibition."

(*Sd.*) W. W. K. PAGE.

CALCUTTA,
24th November 1934.

INDIAN FINANCE ACT, 1935.

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and to vary the excise duty on silver leviable under the Silver (Excise Duty) Act, 1930; It is hereby enacted as follows:—

XXXII of 1934.

VI of 1898.

XVIII of 1930.

Short title and extent.

1. (1) This Act may be called the Indian Finance Act, 1935.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

XII of 1882.

Fixation of salt duty.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor-General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British

India other than Burma or Aden, be construed, as if, for the year beginning on the 1st day of April, 1935, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by, and into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

Amendments of the First and Second Schedules to Act XXXII of 1934.

3. (1) In the First Schedule to the Indian Tariff Act, 1934,— XXXII of 1934.

in Items Nos. 61 (2) and 62 (1) for the words "Five annas per ounce" in the fourth column the words "Two annas per ounce" shall be substituted.

(2) In the Second Schedule to the Indian Tariff Act, Act, 1934, the heading "SKINS" together with Item No. 3 under that heading shall be omitted. XXXII of 1934.

Inland postage rates.

4. For the year beginning on the 1st day of April, 1935, the Schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act. VI of 1898.

Income-tax and super-tax.

5. (1) Income-tax for the year beginning on the first day of April, 1935, shall be charged at the rates specified in Part I of the Second Schedule, increased in each case, except in the case of total incomes of less than two thousand rupees falling under heading A in the said Part, by one-sixth of the amount of the rate.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1935, shall, for the purposes of section 55 XI of 1922.

of the Indian Income-tax Act, 1922, be those specified in Part II of the Second Schedule, increased in each case by one-sixth of the amount of the rate.

XI of 1922. (3) For the purposes of the Second Schedule "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian-tax Act, 1922.

XI of 1922. (4) For the purpose of assessing and collecting income-tax on total income of less than two thousand rupees the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part III of the Second Schedule.

(5) For the purpose of any assessment to be made for the year ending 31st March, 1936, the rate of income-tax applicable to such part of the total income of any person as is derived from salaries or from interest on securities paid in the year ending 31st March, 1935, shall be the previous year's rate, and for the purposes of refunds under sub-section (1) or sub-section (3) of section 48 in respect of dividends declared in the year ending 31st March, 1935, or of payments made in the said year of salaries or of interest on securities, the rate applicable to the total income of the person claiming refund shall be the previous year's rate.

Explanation.—In this sub-section the term "previous year's rate" with reference to any person means the rate of income tax which would have been applicable to his total income if he had been assessed for the year ending 31st March, 1935, on a total income equal to that on which he is assessable for the year ending 31st March, 1936.

XVIII of 1930. 6. In sub-section (1) of section 3 of the Silver (Excise Duty) Act, 1930, for the words "five annas" the words "two annas" shall be substituted.

Excise duty on silver.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[*See* section 4.]

THE FIRST SCHEDULE.

INLAND POSTAGE RATES [*See Section* 7]

Letters.

For a weight not exceeding half a tola ..	One anna.
For a weight exceeding half a tola but not exceeding two and a half tola.	One anna and three pies.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas.	One anna and three pies.

Postcards.

Single	Nine pies.
Reply	One and a half annas.

Books, Patterns and Sample Packets.

For the first five tolas or fraction thereof .	Nine pies.
For every additional five tolas or fraction thereof in excess of five tolas.	Six pies.

Registered Newspapers.

For a weight not exceeding eight tolas ..	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas.	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas.	Half an anna.

Parcels.

For a weight not exceeding twenty tolas ..	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas.	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas.	Four annas."

SCHEDULE II.

[*See section 5.*]

PART I.

Rates of Income-tax.

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—

		Rate.
(1)	When the total income is Rs. 1,000 or upwards, but is less than Rs. 1,500.	One and one-third pies in the rupee.
(2)	When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000.	Two and two-thirds pies in the rupee.
(3)	When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Six pies in the rupee.
(4)	When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Nine pies in the rupee.
(5)	When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	One anna in the rupee.
(6)	When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	One anna and four pies in the rupee.
(7)	When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and seven pies in the rupee.
(8)	When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and eleven pies in the rupee.
(9)	When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	Two annas and one pie in the rupee.
(10)	When the total income is Rs. 1,00,000 or upwards.	Two annas and two pies in the rupee.
B.	In the case of every company and registered firm, whatever its total income.	Two annas and two pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over thirty thousand rupees of total income—

		Rate.
(1)	In the case of every company—	
	(*a*) in respect of the first twenty thousand rupees of such excess.	*Nil.*

(*b*) for every rupee of the remainder of such excess.	One anna in the rupee.
(2) (*a*) in the case of every Hindu undivided family—	
(*i*) in respect of the first forty-five thousand rupees of such excess.	*Nil.*
(*ii*) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and three pies in the rupee.
(*b*) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the first twenty thousand rupees of such excess.	Nine pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess.	One anna and three pies in the rupee.
(*c*) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(*i*) for every rupee of the next fifty thousand rupees of such excess.	One anna and nine pies in the rupee.
(*ii*) for every rupee of the next fifty thousand rupees of such excess.	Two annas and three pies in the rupee.
(*iii*) for every rupee of the next fifty thousand rupees of such excess.	Two annas and nine pies in the rupee.
(*iv*) for every rupee of the next fifty thousand rupees of such excess.	Three annas and three pies in the rupee.
(*v*) for every rupee of the next fifty thousand rupees of such excess.	Three annas and nine pies in the rupee.
(*vi*) for every rupee of the next fifty thousand rupees of such excess.	Four annas and three pies in the rupee.
(*vii*) for every rupee of the next fifty thousand rupees of such excess.	Four annas and nine pies in the rupee.
(*viii*) for every rupee of the next fifty thousand rupees of such excess.	Five annas and three pies in the rupee.
(*ix*) for every rupee of the next fifty thousand rupees of such excess.	Five annas and nine pies in the rupee.
(*x*) for every rupee of the remainder of such excess.	Six annas and three pies in the rupee.

PART III.

Adaptations of the Indian Income-tax Act, 1922, to provide for the summary assessments of income-tax on total incomes of less than Rs. 2,000.

1. The Income-tax Officer may, save where he has served a notice under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, make a summary assessment of the income of an assessee to the best of his judgment, and shall serve on the assessee a notice of demand in a form to be prescribed by the Central Board of Revenue; and such notice shall be deemed to be a notice of demand under section 29 of that Act.

2. Any assessee in respect of whom such summary assessment has been made, may, within thirty days of receipt of the notice of demand, make an application to the Income-tax Officer for the cancellation or revision of the assessment, and the Income-tax Officer shall, after examining any accounts and documents and hearing any evidence which the assessee may produce, and such other evidence as the Income-tax Officer may require, determine, by order in writing, the amount of the tax, if any, payable by the assessee, and such determination shall be final.

Provided that, if any assessee making such application files therewith a return of his income under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, the application shall be deemed to be a return under that sub-section and shall be dealt with accordingly.

3. A copy of an order under paragraph 2 shall be served on the assessee to whom it relates and shall be deemed to be a notice of demand under section 29 of the Indian Income-tax Act, 1922.

4. The above procedure shall apply also to the assessment and collection during the financial year 1935-36 of

incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1934-35.

This Bill has been consented to by the Council of State.

M. B. DADABHOY,
President, Council of State.

The 16th April, 1935.

I assent to this Bill.

WILLINGDON,
Viceroy and Governor-General.

The 22nd April, 1935.

This Act has been made by me as Governor-General under the provisions of section 67B of the Government of India Act.

WILLINGDON,
Viceroy and Governor-General.

The 22nd April, 1935.

WHEREAS I, Freeman, Earl of Willingdon, am of opinion that a state of emergency exists which justifies the direction by me that the Indian Finance Act, 1935, being an Act made by me under the provisions of section 67B of the Government of India Act, shall come into operation forthwith:

NOW, THEREFORE, in exercise of the power conferred by the proviso to sub-section (2) of that section, I do hereby direct accordingly.

WILLINGDON,
Viceroy and Governor-General.

The 22nd April, 1935.

L. GRAHAM,
Secretary to the Government of India.

THE BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly, held in New Delhi, on Friday, 28th February 1936.

Speech by the Hon'ble Finance Member on introducing the Budget proposals for 1936-37.

1. A year ago I commented on the complicated character of a financial review which had of necessity to cover three years instead of the normal two. I still find this difference from English practice slightly confusing and I must therefore apologise in advance in case it should be found that my statement today is lacking in perspicuity.

I am afraid too that the statement may prove to be dull and this I suppose is inevitable, seeing that a budget speech must proceed on a set plan. But if you find it dull, please remember that I shall find it much more so, if for no other reason than that it is so much more familiar to me than to you.

Financial Year 1934-35.

2. Let me first examine the final accounts for 1934-35.

Last year I anticipated that they would disclose a surplus of Rs. 3,27 lakhs. The actual figure has proved to be Rs. 4,95 lakhs. The excess of Rs. 1,68 lakhs over the revised forecast is due in the main to an increase of Rs. 1,50 lakhs under Customs and Excise. For the rest there are excesses of Rs. 30 lakhs on Income Tax, Rs. 24 lakhs on Posts and Telegraphs, and Rs. 19 lakhs on Currency and Mint but these are partially counterbalanced by a short fall of Rs. 55 lakhs on Salt.

The decrease in Salt is due to a postponement of clearances at the end of 1934-35; the increases under the other heads I have mentioned all point to one cause, *viz.*, that the recovery in India's economic position had set in more strongly than could have been foreseen a year ago. Under the Customs and Excise head there were increases both on imported and on indigenous kerosene, improvements in the yield of the export duties on jute and rice, and improved yield from matches, and unusually high seasonal importations of cotton fabrics, raw cotton and machinery. None of these could have been foreseen when the Budget statement was made; indeed in the case of jute the early months of 1934-35 had shewn a decline and naturally a pronounced reversal of this tendency in the last three months of that year was an agreeable surprise. Similarly telephone receipts manifested a definite spurt in the last quarter of the year, as also did the profits from small coinage owing to the increasing demand for this means of payment—a sure sign of increasing prosperity.

In short, in my inexperience I attached rather too much importance to the Cassandra-like prophecies of those who were concerned for one reason or other to proclaim that India was being ruined by its attachment to the British Empire and its adherence to sterling, and too little to the assurances of those who told me that India had a marvellous power of recuperation from economic troubles. However, I would very much rather err on the side of caution than in the other direction and I do not feel called upon to be unduly penitent, though naturally I shall try to avoid repeating the miscalculation.

The House will remember that last year it was decided to devote the then surplus of Rs. 3,27 lakhs to various non-recurring objects including a crore for constituting a Fund

for the Economic Development and Improvement of Rural Areas. After these allocations had been made, there remained a free surplus which was estimated at Rs. 13 lakhs. Later in the Session the Assembly agreed to transfer the whole of the unallocated surplus to the Rural Development Fund, and now that this surplus has turned out to be much bigger than was expected, the result is that the transfers to the Fund amount not to Rs. 1,13 but to Rs. 2,81 lakhs. It will be remembered from the paper which I circulated on 6th of September last that out of this fund we allocated Rs. 15 lakhs for the improvement of the Co-operative Movement and Rs. 92½ lakhs for grants to the various Provinces on schemes approved by the Government of India. There thus remains in the fund a balance of Rs. 1,73½ lakhs. In order to present my actual proposals as one co-ordinated whole I will leave this balance and come back to its disposal when I have set out more fully the financial situation and prospects as they now appear to me.

FINANCIAL YEAR 1935-36.

3. The revised forecast for the current year also indicates a considerable improvement over our estimates of a year ago and we now anticipate a surplus of Rs. 2,42 lakhs instead of Rs. 6 lakhs. This surplus is produced by an improvement of Rs. 3,53 lakhs in revenue offset by a deterioration of Rs. 1,17 lakhs in expenditure.

The actual figures are as follows:—

	(Rs. lakhs.)	
	Budget 1935-36.	Revised 1935-36.
Revenue	82,99	86,52
Expenditure	82,93	84,10
Surplus ..	6	2,42

These are of course net and they exclude Railways altogether. Full details will be found in the Financial Secretary's memorandum which will be among the papers available when I have finished my speech, but clearly you will expect from me some explanation of such wide variations.

Revenue.

4. To take Revenue first. Of the excess of Rs. 3,53 lakhs the import duty on sugar is responsible for Rs. 1,85 lakhs and all the other heads of revenue account for Rs. 1,68 lakhs. What this means in effect is that the general underestimate of 1934-35 was carried forward into 1935-36 and that in addition the tapering off of the sugar revenue has been somewhat delayed.

Apart from sugar, we hope to have an excess of Rs. 40 lakhs in Income Tax clearly due to the improvement in trade being greater than we expected, and in Customs, etc., we anticipate almost precisely the same kind of excesses as were shewn by the final results of 1934-35 over the revised forecast. Raw cotton, machinery, petrol, the export duty on jute and the excises on sugar and matches are all heading for surpluses. Textile fabrics as a whole do not disclose much variation but there are large differences in detail. For example, cotton fabrics of British manufacture are Rs. 80 lakhs below the estimate, but this is more than counterbalanced by an increase of Rs. 90 lakhs in cotton fabrics of other than British manufacture.

5. *Sugar.*—Sugar I must deal with in more detail for here we expect an excess of Rs. 1,85 lakhs on the Customs side or a gross figure of Rs. 3,60 lakhs which is not very materially below the figure of last year. I know that I was told a year ago that my figures here were too low and that the bad sugarcane crop combined with the inadequate protection

would falsify my predictions. Well, my predictions look like being falsified but the reasons which were then advanced do not fit the facts. Here are the facts. In spite of the partial failure of the cane crop the yield of the excise duty appears to be some Rs. 21 lakhs above our expectations. The estimate which was itself 50 per cent higher than the actuals for the previous year was based on a factory outturn, excluding Khandsari production, of 510,000 tons, whereas the progress of collections points to a probable outturn of over 600,000 tons from factories alone. At the same time the volume of imports is being maintained at a figure only slightly below that of the previous year. It is a reasonable inference from these facts that there was a jump in domestic consumption combined with a decline in non-exciseable forms of indigenous production but our statistics do not enable us to say how much weight to attach to these two opposing factors.

Altogether the anticipated excess on Customs, etc., is Rs. 2,87 lakhs making with the Rs. 40 lakhs expected on Income Tax, Rs. 3,27 lakhs. The remaining Rs. 26 lakhs which go to complete the Revenue excess of Rs. 3,53 lakhs represents a balance of innumerable excesses and deficiencies under other heads, but I have only time to mention a few of these.

3. *Interest.*—The revised estimates for Interest receipts have been reduced by Rs. 13 lakhs because the return anticipated on the investments constituting the Silver Redemption Reserve has been almost completely offset by a depreciation in their market value.

7. *Currency.*—This shews no serious change but the revised estimate conceals an increase on account of unclaimed currency notes combined with a short-fall owing to the fact

that our share of the Reserve Bank profits was Rs. 7 lakhs less than had been anticipated.

8. *Mint.*—Here we hope for a surplus of Rs. 16 lakhs due to the greater absorption of small coin.

9. *Posts and Telegraphs.*—As will be seen from the figures I give later, we now expect the position to be Rs. 19 lakhs better than the original estimate.

Expenditure.

10. I now turn to expenditure. The main increases in the revised over the original budget estimates fall under the following headings :—

(i) *Extraordinary Payments.*—Here the increase is Rs. 41½ lakhs and this represents the expenditure which we expect to incur from Civil Funds during the current year in connection with the Quetta earthquake. This includes the Government of India's contribution of Rs. 10 lakhs to H. E. the Viceroy's Quetta Earthquake Relief Fund, the provision of the extra police, public health and administrative and clerical establishments rendered necessary by the disaster and the cost of temporary hutting and lighting arrangements, of special measures for the protection of property in the ruined city and of the labour and plant required for salvage and site clearance operations. It also provides for assistance to the rural population in repairing their irrigation channels. I shall, of course, have a good deal more to say about Quetta later on.

(ii) *Interest.*—The House is aware of course that there are two interest heads. "Interest on Ordinary Debt" consists of what we have to pay on our market obligations less what we get back in respect of our outstanding loans to Provinces and the Commercial Departments. "Interest on Other Obligations" consists of the amounts paid in respect of

Provident and other Service Funds, Savings Bank Deposits and Cash Certificates. I am bound to confess that I cannot see any satisfactory reason for this division into two heads, for they are essentially one. Taking them together, they show a revised figure of Rs. 10,63 lakhs instead of Rs. 10,39 previously estimated. It is impossible to give any simple explanation of the increase for it is the result of the combined operation of a large number of forces pulling in different directions.

(iii) *Currency and Mint.*—The increase of Rs. 10 lakhs is entirely due to a larger demand for currency notes and small coin. It is of course more than made up by an increase on the Revenue side.

(iv) *Miscellaneous Adjustments.*—Here too the excess is more apparent than real for we have an increase of Rs. 15 lakhs in the payments to the Jute growing provinces, owing to an improvement of Rs. 30 lakhs in the yield of the export duty, combined with a decrease of Rs. 6 lakhs due to a transfer of a certain item to the head "Civil Administration."

The remainder of this increase of Rs. 1,17 lakhs is made up by a number of items which fall mainly under Civil Administration and under this head the principal excess is under Frontier Watch and Ward.

11. *Defence.*—The Budget figure was, as the House will remember, Rs. 44,98 lakhs and under the normal procedure any saving on this figure lapses to the Defence Reserve Fund. The principal variations within the total figure of Rs. 44,98 lakhs are as follows :—

Receipts show increases on various items totalling about Rs. 9½ lakhs. On the expenditure side substantial savings have accrued from entirely unforeseen causes. The despatch

of troops outside India in connection with the international situation is expected to result in a saving of over Rs. 10 lakhs. In order to provide funds for emergency expenditure at Quetta, the Military Engineering Services postponed about Rs. 9½ lakhs of their new works programme, and in consequence of the earthquake the bulk, *viz.*, Rs. 2½ lakhs, of their ordinary maintenance grant for Quetta lapsed. There has been a gain on Exchange amounting to Rs. 4½ lakhs. A further under-spending of Rs. 14 lakhs represents merely the carry forward of liabilities in respect of which the administrative authorities have been unable for various reasons to spend the allotments made in the current year.

These improvements account for about Rs. 50 lakhs but against them we have to set substantial expenditures not contemplated at the time of the budget. The most important of these are about Rs. 36 lakhs arising from the earthquake in Baluchistan mainly on account of temporary housing (including tentage), transportation and stores and Rs. 12 lakhs representing that part of the cost of the Mohmand operations which is expected to be brought to final account this year.

The result of all these variations is an under-spending of Rs. 4 lakhs which will accrue to the Defence Reserve Fund.

During the course of the year certain withdrawals from the Fund have been made to finance the re-equipment programme and other measures. At the end of the year, in addition to the Rs. 4 lakhs above mentioned, we shall deposit in the Fund from the 1935-36 budget the Rs. 14 lakhs which I have referred to as representing postponed but inescapable liabilities and Rs. 22 lakhs representing the annual contributions towards the various military equalisation funds. The estimated result of all these transactions is to effect a reduction

of about Rs. 25 lakhs in the balance of the Fund as it stood on the 31st March, 1935.

12. *Posts and Telegraphs.*—All that remains in order to dispose for the time being of the year 1935-36 is to give a revised forecast of the results of the Posts and Telegraphs Department. For this Department we show on the Revenue side of the general budget the excess of Gross Receipts over Working Expenses while on the Expenditure side we show the Interest on the capital at charge of the Department. Here are the figures :—

(Rs. lakhs.)

	Budget 1935-36.	Revised 1935-36.
Gross receipts.. ..	11,33	11,50
Working Expenses ..	10,62	10,64
Net receipts	71	86
Interest charges ..	84	80
Balance ..	—13	+ 6

Thus we now expect, instead of an appreciable loss, a small profit. Lower interest rates are responsible for some of the improvement but in the main it is due to increased sales of stamps and a rise in receipts from trunk telephone calls.

Position as on 31st March, 1936.

13. To recapitulate we now expect that the current year will close with a surplus of Rs. 2,42 lakhs. This too I leave over for later examination and meanwhile I place before the Assembly the estimates for the coming year.

FINANCIAL YEAR 1936-37.

Revenue.

14. The total figures for revenue, excluding Railways, are Rs. 87,35 lakhs, an improvement of Rs. 83 lakhs over our revised estimate for the current year.

15. *Customs, etc.*—Here the receipts are estimated at Rs. 54,82 lakhs. This figure presumes a deterioration of Rs. 1,60 lakhs under the import duty on sugar and an all round improvement of Rs. 1,71 lakhs under other heads. Full details of the changes will be found in the Financial Secretary's memorandum, but I must again say a word regarding the yield of the import duty on sugar.

There are three elements in the calculation of the margin available for imports of sugar. First the growth of domestic factory production, secondly the extent to which this displaces other forms of indigenous production, and thirdly the growth of consumption. In the end we can confidently predict that the outcome of the operation of all the factors will be the reduction of sugar imports to very small dimensions. But the speed at which this result will be attained is quite uncertain. Last year the process was delayed by a partial failure of the cane crop and by a combination of the second and third of the above factors, but even so it is clear that the running down process will be somewhat slower than we thought when framing the original estimates for last year. In these circumstances it is extremely difficult to do more than make an enlightened guess and on the whole the best we can do is to assume a figure of Rs. 2 crores for next year's yield of the import duty which is higher than last year's original estimate but considerably lower than this year's results are likely to be. I do not make this prophecy with any overweening confidence but let me point out to the Assembly that for many years the original estimate of sugar revenue has been wildly inaccurate and unfortunately not always in the same direction. The yield of the excise has been estimated at Rs. 1,96 lakhs allowing for an increase of roughly 15 per cent. over the revised estimate of the current year's outturn.

The other items call for no particular comment except that we provide for some recovery from the very striking fall in the imports of British cotton fabrics which I mentioned a few minutes ago and for a continued expansion of the yield of the match excise and the petrol duties.

16. *Taxes on Income.*—Here we are counting on the undoubted and we hope continuing improvement in economic conditions and we anticipate a receipt of Rs. 17,60 lakhs for next year or an increase of Rs. 80 lakhs even over the revised estimate for the current year, or Rs. 1,20 lakhs over the current year's original estimate after allowing for the reduction in the surcharges. This is obviously a very optimistic estimate and the fact that I put it forward should acquit me of any charge of being too conservative under this head at any rate.

While on this subject, I might say a word on the visit of the two income-tax experts who arrived from England last October. They are at present touring India under the guidance of one of our senior Income Tax Commissioners. As I have repeatedly said, the real purpose of their enquiry is a thorough administrative overhaul but at the same time they are not ignoring altogether the question of revising the law and arrangements have accordingly been made for the Committee to receive representations from responsible commercial bodies at the various centres it visits. Their task is a big one and they have a great deal of ground to cover so that I do not expect to receive their report before October next. This means that any changes that may be found necessary or desirable as a result of their recommendations cannot come into force before 1937-38 and therefore will have no effect on the estimates for the budget year 1936-37.

17. *Currency receipts.*—The only other revenue item that calls for specific mention is Currency receipts. The estimate of Rs. 81 lakhs under this head assumes Rs. 65 lakhs as our share of the profits from the Reserve Bank on a full year's working.

Expenditure.

18. The total figure for expenditure, exclusive of Railways, is Rs. 85,30 lakhs, showing an increase of Rs. 1,20 lakhs over the current year's revised estimate. There is an increase under Civil Works a considerable part of which is due to larger payments to the Road Development Fund—an automatic result of the expanding yield of the duty on motor spirit. But there are more important changes to which I wish to draw your attention, *viz.*, a decrease under Interest and increases under Miscellaneous Adjustments, Civil Administration and Defence. In addition I shall have to mention Extraordinary Expenditure though it does not shew a very large variation from the revised figure of 1935-36.

19. *Interest.*—Again taking the two heads of Ordinary Debt and Other Obligations together we get a figure of Rs. 9,20 lakhs as against Rs. 10,63 lakhs in the revised estimate for 1935-36, or a reduction of nearly Rs. 1½ crores. But the position is really better than this, for under "Interest on Other Obligations" there is an increase of Rs. 62 lakhs due mainly to an alteration in the arrangements in respect of the Indian Military Service and the Indian Civil Service Family Pension Funds. At present the subscriptions collected on account of these funds are credited to general revenues and the pensions are paid from the same source. The interest on the balances in the funds does not enter the Government accounts. A *pro forma* account is, however, maintained, showing the balances in the funds, the interest accrued, the

subscriptions received and the pensions paid. As the present accounting arrangements are admittedly erroneous, it has been proposed that in future the balances to the credit of the funds should be shown as regular unfunded debt. The subscriptions received and the interest on the balances will be credited to the funds and the pensions will be paid direct from the funds. The Rs. 62 lakhs increase under Interest is offset by reductions of Rs. 34 lakhs under Military Pensions and Rs. 20 lakhs under Civil Pensions. Comparing like with like, the improvement under the Interest heads is over Rs. 2 crores. The reasons for this improvement are firstly, that we shall get the full benefit of the conversion operations of the current year, and secondly, that we hope to repay the £16.8 millions of 5½% Sterling Stock maturing next year without floating a fresh loan.

20. *Subventions to Sind and Orissa*, 1936-37.—The increase under Miscellaneous Adjustments is due to the provision of Rs. 1,58 lakhs for subventions to Sind and Orissa—Rs. 1,08 lakhs for the former and Rs. 50 lakhs for the latter. It has been decided that these two new provinces shall begin their careers on April 1st, 1936, in advance of the full institution of Provincial Autonomy. It has all along been recognised that they would require subventions at any rate for some years after they began their separate existence. The definitive subventions fall to be determined by His Majesty in Council after considering the recommendations of Sir Otto Niemeyer's enquiry, but in the meantime the two Provinces must be put into a position to carry on under the provisional regime, and the present subventions are intended for this purpose. The amounts provided are larger than was at one time anticipated but I do not think that they are framed on an over-lavish basis. They do not purport to provide any substantial margin for new schemes

of expenditure and apart from furnishing small opening balances they are intended to do very little more than enable the provinces to balance their budgets during their first year's working. Let me repeat that these subventions are entirely provisional. They are not intended to prejudge the claims of these two provinces at the enquiry which Sir Otto Niemeyer is now holding, when their future subventions will fall to be considered in conjunction with the claims of other provinces.

21. *Civil Administration.*—The increase amounts to Rs. 64 lakhs and I now proceed to describe some of the more important items which go to make up this total. First there are Rs. 18 lakhs for two public health schemes in Delhi. The present methods of dealing with the refuse of Delhi have evoked general comment and have been a menace to public health for a considerable time and a new scheme has now been sanctioned for which a provision of Rs. 13 lakhs is made. The system of dealing with Delhi sewage has also been examined and has been found to be inadequate and defective: a final decision has not yet been reached on this, for it has so far been found impossible to frame a scheme the cost of which is not prohibitive. However, the effort to formulate a scheme at a reasonable cost is being continued and in the meantime a provision of Rs. 5 lakhs is made to permit of a start being made in 1936-37 if such a scheme turns out to be possible. The opening of the Delhi Broadcasting Station, together with some necessary improvements in programmes generally, will require a further Rs. 4 lakhs in the coming year and there is an extra Rs. 5 lakhs for Civil Aviation where the Capital programme inevitably involves an increase in maintenance charges. Finally, provision is made for the restoration of the cut in pay for the full twelve months of the year instead of eleven as in the current year's figures.

This means an extra 11 lakhs.

22. *Defence.*—The Defence Budget stands at the figure of Rs. 45,45 lakhs. Of this, however, Rs. 60 lakhs is a special provision for the reconstruction of Quetta and the replacement of military stores consumed in connection with the earthquake. The ordinary Budget is, therefore, Rs. 44,85 lakhs of which Rs. 18 lakhs is for new measures. The total figure for the present year is Rs. 44,98 lakhs but this includes Rs. 34 lakhs for Indian Military Service Family Pensions which, as I explained in dealing with the Interest heads, is omitted from the Defence budget of next year. The comparable figures for the two years are therefore Rs. 44,64 lakhs and Rs. 44,85 lakhs. The real increase is thus Rs. 21 lakhs and this is more than accounted for by two items. Rs. 5 lakhs represents the restoration of the remaining half of the cut in pay of British soldiers which was not budgetted for in 1935-36 and Rs. 20 lakhs an increased provision for ordnance stores. In regard to the latter I must reiterate the warnings which have been given in this connection in recent years that the present budget figures do not represent a new permanent low level of Defence expenditure. The surplus stocks of ordnance stores, the existence of which in the past has tended to keep down the budget, are approaching exhaustion and the time has now come at which expenditure under this head must inevitably rise.

23. *Extraordinary Payments.*—I have referred above to the provision in the Defence Budget arising out of Quetta. There is also a provision on the Civil side of Rs. 40 lakhs under the head "Extraordinary payments." This relates mainly to the reconstruction of the most urgently required civil buildings and to the continuance of the special establishments created there to deal with the emergency. While

the bulk of the expenditure on salvage will be incurred in the current year, site clearance operations will continue for sometime into the new year and have had to be provided for.

24. *Quetta.*—This is probably the most convenient place to review the Quetta problem as a whole. In 1935-36 we expect to spend from Civil Funds proper Rs. 41½ lakhs, and Rs. 36 lakhs from Army Funds. Practically the whole of this has been on relief, temporary housing, and salvage though there has been a beginning of clearance. Next year we shall have to complete clearance and begin reconstruction. Under Civil Grants Rs. 40 lakhs are provided of which Rs. 12 lakhs are for clearance and special staff and Rs. 28 lakhs for reconstruction. Under Defence there is Rs. 10 lakhs for replacement of stores and Rs. 50 lakhs for reconstruction. Thus the cost to Government of the disaster up to the stage of beginning reconstruction may be put at Rs. 41½ *plus* 36 *plus* 12 *plus* 10 lakhs or almost exactly a crore in all. The reconstruction both Civil and Military is at present expected to cost something over 7 crores. These estimates are provisional but I have every hope that they will not be exceeded. The work will take 7 or 8 years and we do not anticipate that it will be possible to spend appreciably more than a crore in any one year. In 1936-37 we begin with Rs. 78 lakhs of which Rs. 50 lakhs is for Military and Rs. 28 lakhs for Civil buildings, and in the following years the programme will proceed at the rate of about a crore a year.

In explaining the charges on Civil Funds I have left out of account the expenditure to be incurred by the two commercial Departments, Railways and Posts and Telegraphs. They have incurred some small expenditure in connection with the immediate emergency and they will both have to incur expenditure on reconstruction. For Railways the cost

will be something like Rs. 40 lakhs in all, of which Rs. 12 lakhs has been included in next year's Railway budget and for the Posts and Telegraphs department the cost will be Rs. 9½ lakhs of which Rs. 1 lakh will be spent this year and nearly Rs. 4 lakhs in 1936-37.

We have already heard something and I dare say we are destined to hear a good deal more about the wickedness of paying for the reconstruction of Quetta out of revenue. Perhaps therefore I had better say a few words on this subject as a brief opening to the inevitable debate. I take it that nobody will contend that the immediate expenditure on relief, salvage and other emergency measures incurred during the current year should have been charged to capital, with no other results than to decrease the call by the Army Authorities on the Defence Reserve Fund and to increase the surplus on the general budget by some Rs. 40 lakhs. But what will be advocated widely will be that the expenditure upon the reconstruction of the Government buildings together with that to be incurred in clearing the site of the city should be borrowed and this is the proposition that I shall briefly examine. In the first instance let me say that it is contrary to strict financial orthodoxy to borrow for expenditure which does not yield a cash return equivalent to the interest and sinking fund charges on the amount borrowed. I know that this strict view has not always been followed in India but some people might say that our financial difficulties would now be considerably less if a little more orthodoxy had been observed in years gone by. Apart from that, however, unorthodoxy was clearly easier to justify in the days when there was an annual provision of something like Rs. 7 crores a year for the reduction and avoidance of debt. Borrowing for capital expenditure or shall we call it raiding the Sinking Fund, for it is nothing else, may not be a very heinous

offence when the Sinking Fund is more than adequate but is that the case now? Leaving out of account the deficit budgets of the early thirties the actual provision in recent budgets has been limited to Rs. 3 crores. Last year I expressed a certain discomfort at the smallness of this amount but comforted myself with the thought that the Railways, which then looked as if they would very shortly resume their contribution to General Revenues, would soon provide ways and means for an increase in the Sinking Fund contribution to a figure more commensurate with a capital debt of Rs. 1,200 crores. But clearly a Railway contribution has now disappeared into the somewhat remote future and we are faced with a situation in which the Sinking Fund contribution is no more than a quarter of 1 per cent. of the debt—obviously a dangerously inadequate figure. Who dare say then that for the next 7 or 8 years we should by this high-sounding device of borrowing to pay for Quetta still further reduce this already inadequate provision by sums which vary from year to year of course but which are of the order of Rs. 75 lakhs? I certainly cannot accept such a proposition.

But there is another consideration. Borrowing has got to be paid for some time and clearly the burden of it in this instance of Quetta would be fully felt by the Central Budget in the early forties, *i.e.*, at the time when it will or ought to be distributing a proportion of its Income-tax receipts to the Provinces. The task of a Finance Member at the present time must be to see that India is put into a position to finance the new Reforms and at the same time is left if possible with its credit in a state of inexpugnable strength. This being so I cannot possibly have any part or lot in a device which is both unsound in itself, having regard to the size and structure of our debt, and which moreover would diminish the amount ultimately available for distribution to the Provinces.

25. *Posts and Telegraphs.*—In my budget speech last year I referred to the fact that the fixation of the contribution to the depreciation fund was still under examination. That examination is now complete and it is proposed to abandon the depreciation fund conception altogether and to adopt instead that of a fund for renewals and minor improvements. The renewals fund will take over the existing depreciation fund of Rs. 3,17 lakhs and will be fed by annual contributions to be fixed for periods of five years. For the first quinquennium we have, with the assistance of the Auditor-General, calculated that a contribution of Rs. 25 lakhs will be an appropriate figure and the Posts and Telegraphs budget provides for this amount instead of the Rs. 29 lakhs provided last year.

The only other item I need mention on the expenditure side of the department is an enhanced provision of Rs. 2 lakhs for providing improved postal facilities in rural areas. Last year my Honourable friends opposite made strong representations on this subject and they will no doubt welcome the fact that the improved financial position of the department enables us in the coming year to do more in this direction than has been possible in these last few years of depression.

On the Revenue side we are reckoning on a continuance of improving trade and an increase of Rs. 38 lakhs over the revised figure for 1935-36. On this basis the position works out as follows :—

	(Rs. lakhs.)
Gross receipts	11,88
Working expenses ..	10,93
Net receipts	95
Interest charges	80
Net surplus	15

Summary of the position for 1936-37.

26. I am now in a position to summarise the estimates for 1936-37 as follows :—

	(Rs. lakhs.)
Revenue	87,35
Expenditure	85,30
Surplus	2,05

Before disposing of this and the surpluses for the two earlier years, I must turn aside and give some account of our Ways and Means position.

WAYS AND MEANS.

27. *The Reserve Bank.*—First a word about the Reserve Bank. The Bank began to act as the bankers of Government with effect from 1st of April 1935. It took over the management of the currency and the duties of selling treasury bills on behalf of Government and of supplying the Secretary of State with his sterling requirements from the same date. In the beginning of July it assumed its full banking functions and fixed its first bank rate. The first elections to the local boards have been made and its first annual meeting has been held at which the Executive of the Bank submitted their report of its first nine months working. This report has been published in the *Gazette* and I need say nothing about it except perhaps to mention that in accordance with Section 47 of the Act the Government of India has received Rs. 43 lakhs as its share of the profits, which sum has been included in the revised estimates for the current year, 1935-36.

28. *Remittance.*—The ways and means estimates for the current year provided £26 millions as the sterling requirements of the Secretary of State. Our revised forecast stands at £12 millions. This reduction is due to the large opening

balance which the Secretary of State had on 1st of April 1935. It will be remembered that our remittance operations are now conducted through the Reserve Bank. For the 10 months up to the end of January the Bank has in fact purchased nearly £29 millions of sterling of which about £19½ millions is still shewn among the assets of the Banking Department. In the Issue Department there are considerable sterling assets in excess of the statutory requirement and altogether the external position of the Bank is one of extraordinary strength. Next year we shall expect to call upon the Bank for £41 millions and this includes the repayment of £16.8 millions of 5½ per cent. Stock, 1936-38 without fresh borrowing in London. On present shewing there should be no difficulty whatever about achieving this programme.

29. *Post Office Cash Certificates and Savings Bank deposits.*—The 6½ per cent Treasury Bonds, 1935 and the 5 per cent Bonds, 1935 matured in September and evidently some of the smaller holders have deposited the funds made available to them in the Post Office Savings Bank. This accounts for the increase in the revised estimate to Rs. 9,50 lakhs as against the budget figure of Rs. 8,75 lakhs. Next year's forecast assumes deposits in the Post Office Savings Bank of Rs. 8,25 lakhs net and by 'net' I mean of course the excess of deposits over withdrawals.

The reduction in the rate of interest on Post Office Cash Certificates in 1934 has naturally been followed by larger discharges. We now expect a balance between purchases and discharges during the year 1935-36 and a net discharge of Rs. 50 lakhs during the year 1936-37. It will be remembered that maturities will be particularly heavy during the coming financial year.

30. *Loans to provinces.*—The estimates for the requirements of provinces this year included provision for the repayment of the 6½ per cent Bombay Development Loan 1935. There will be no such unusual item in 1936-37 and we are providing about Rs. 5½ crores only instead of about Rs. 11 crores.

31. *Borrowing Programme.*—Government have been able to take considerable advantage of the low market rates for borrowing which prevailed both in India and in England during the year. Two loans were issued. The first was a sterling loan early in July for £10 millions of 3 per cent stock, 1949-52 in part replacement of £12 millions of 6 per cent Sterling Bonds, 1935-37. The loan was issued at 98 and was oversubscribed seven times, the lists being closed 10 minutes after opening. The services of the Governor of the Reserve Bank, who was in London at the time, were available during the negotiations for this loan, and I am glad to be able gratefully to acknowledge them.

At the end of the same month a 3 per cent Rupee Loan, 1951-54 for Rs. 15 crores at Rs. 96.8 was announced. The Reserve Bank was entrusted with the issue of the loan and applications amounted to nearly 30 crores. Applications for conversion of 5 per cent Bonds, 1935 and 6½ per cent Treasury Bonds, 1935 were accepted in full and were allotted nearly Rs. 13 crores. This is the first time that the Government of India has been able to raise a 3 per cent medium term loan at such a favourable rate.

£3½ millions of East Indian Railway 4½ per cent debenture stock, 1935-55 have also been repaid during the year.

Next year there are no rupee maturities but as I have previously mentioned £16.8 millions of 5½ per cent Sterling Stock, 1936-38 fall due for repayment and we are proceeding

on the assumption that we shall be able to repay this amount without further borrowing in London. However, that depends on conditions later in the year and not being a prophet I can only express hopes. I do, however, estimate on the basis of my hopes and for the purpose of calculating interest charges next year I assume the repayment of the sterling stock without replacement. This together with the full effect of the conversion operations of the present year enables us, as I have already said, to reduce the estimate for interest charges to Rs. 9,20 lakhs, or nearly Rs. 1½ crores less than the revised estimate for the current year.

32. *Treasury Bills.*—The Treasury Bills outstanding on 1st April 1935 amounted to Rs. 18,27 lakhs with the Public and Rs. 36,07 lakhs with the Reserve Bank, a total of Rs. 54,34 lakhs. The revised estimate provides for the reduction of this amount to Rs. 13,99 lakhs with the Public and Rs. 20,10 lakhs with the Reserve Bank, Rs. 34,09 lakhs in all by the end of March 1936, as against a total of Rs. 46 crores anticipated in the budget. The difference of Rs. 12 crores is due to the cancellation of Bills held in the Issue Department of the Reserve Bank mainly as a result of the transfer of surplus sterling assets to the Bank. The average rate of interest on Treasury Bills for the 10 months ending January 31st 1936 was Rs. 1-4-9 per cent against Rs. 1-8-10 per cent for the corresponding period last year.

Next year, on the assumption that we are able to repay the sterling loan without further borrowing from the market, we expect the outstanding balance of treasury bills on the 31st of March 1937 to be Rs. 20,10 lakhs with the Reserve Bank and Rs. 24,99 lakhs with the Public a total of Rs. 45,09 lakhs.

Proposals for 1936-37.

33. I have now set out the final results of 1934-35, the revised forecast of 1935-36 and the first forecast of 1936-37. I now turn to the surpluses that have either accrued or are expected to accrue and Government's proposals for dealing with them. They are, first, the balance of Rs. 1,73½ lakhs remaining over in the Rural Development Fund from the surplus of 1934-35, secondly, the expected surplus of Rs. 2,42 lakhs for the current year, and finally the estimated surplus of Rs. 2,05 lakhs for next year.

34. *Surplus for 1934-35.*—From the balance of Rs. 1,73½ lakhs available in the Rural Development Fund we propose to allocate :—

First.—A grant of Rs. 30 lakhs for Agricultural Research. This will cover the Rs. 10 lakhs still outstanding of the block grant promised to the Imperial Council of Agricultural Research when it was first established and a further Rs. 20 lakhs for financing other urgent schemes of research, some of which will be under the direct control and supervision of Government. These other schemes include sugarcane research, and investigations in connection with the dairying side of animal husbandry. This branch of the peasants' activity has not received sufficient attention in the past. Experience elsewhere emphasises its importance to the cultivator, both as a means of supplementing his income and of adding to his diet elements that make for good nutrition and, therefore, for good health.

Secondly.—A grant of Rs. 10 lakhs to the Indian Research Fund Association. Health is a vital factor in measures aiming at a general improvement in the conditions of village life and to ensure that the benefit of these Rs. 10 lakhs goes primarily to the rural population the Association will be

required to devote the amount mainly to schemes connected with the prevention or cure of malaria.

Thirdly.—A grant of Rs. 5 lakhs for the benefit of cottage and small scale woollen industries.

Honourable Members are aware that the case for the protection of the woollen industry was examined last year by the Tariff Board and that for certain reasons, including the refusal of evidence on the part of an important section of the mill industry, we were unable to accept its claim to protection. But woollen manufacture is also carried on in cottages and in small scale workshops; and the Tariff Board's findings suggested that this branch of the industry stood in greater need of assistance than the other. Further, there was no reason why the action of the manufacturers should be allowed to prejudice its claims.

But, as the Tariff Board pointed out in this case a cottage industry is likely to derive more benefit from technical advice and assistance in marketing arrangements than from the imposition of protective duties. Government therefore propose to make a grant for the benefit of the cottage and small scale woollen industry amounting to Rs. 5 lakhs to be spread over 5 years and our intention is that it should be administered on lines somewhat similar to those adopted in the case of the corresponding grant for Sericulture except that, as research is not likely to be involved, the States will not participate in the allocation of funds. The actual execution of provincial schemes financed from this grant will be in the hands of the Provincial Departments of Industries.

Fourthly.—A grant of Rs. 20 lakhs to the Fund for development of broadcasting. This Fund is, of course, only available for capital expenditure; recurring expenditure is to be provided in the budget in the normal way. In my speech

last year I emphasised that the expression " economic development and improvement of rural areas " was used " in a wide sense to cover any measure which will conduce to the amelioration of the conditions of the cultivators and rural classes." Broadcasting which now provides instructional lectures on agriculture and health has a quite legitimate claim on this fund and the additional grant will help to satisfy the demand for such information over a large area.

This allocation will bring the fund to Rs. 40 lakhs. Although the expenditure so far incurred against the fund amounts to rather less than Rs. 4 lakhs (for the Delhi station) we have before us estimates for work costing Rs. 32 lakhs, and the field for further development is extensive. It is obviously desirable—in fact essential—that we should have the best technical advice available before we embark upon this further development. We have been fortunate in obtaining this, for the British Broadcasting Corporation have very kindly lent us Mr. Kirke, the head of their Research Department, to advise us on our future programme and I hope that it will be possible to place definite proposals before the Standing Finance Committee next month. After these grants there is still left in the Fund Rs. 1,08½ lakhs. We shall in all probability allocate the bulk of this to Provinces on a rural population basis for expenditure on schemes to be approved by the Government of India. But before deciding upon this finally we shall review the results of last year's grants. It will be remembered that I circulated to the House on the 6th September last a full description of the schemes which had been approved by the Government of India in connection with the grants amounting to Rs. 92½ lakhs which have already been made to Provinces. We have called for full reports from local Governments as to the actual

progress and results of their schemes. We expect that these will be available next month and in the light of them we shall decide whether any alterations are necessary in the conditions of our grants. Needless to say Provincial Governments are more closely in touch with local conditions and needs than we are but, at the same time, the Government of India has its responsibilities in the matter and it will be for consideration whether we should not define more closely the categories of schemes which we are prepared to approve. At all costs we must guard against too much diffusion of effort and we must moreover be careful to see that our money is spent on the most useful schemes. As soon as definite conclusions have been reached we shall take the House fully into our confidence both as regards the results of last year's schemes and our intentions for the future.

Perhaps the House will forgive me if I point out that in the last two years the Government of India have allotted nearly Rs. 3½ crores in the way of special grants for rural purposes. I emphasise the word 'special' for the leader of the Opposition waxed sarcastic over the grants made last year as if they were the only contributions which the Government of India had made to rural welfare. I dealt with that argument then and I have no doubt that I shall have to deal with it again but at present my purpose is only to claim that we have shewn and are shewing that, whenever resources are available, we are prepared to supplement in no niggardly fashion the work that Provincial Governments are doing on behalf of those in the villages.

SURPLUS FOR 1935-36.

35. *Initial building equipment of Sind and Orissa.*—I now come to the surplus of Rs. 2,42 lakhs which we expect to have on the 31st March next. To begin with I propose to allot

Rs. 45 lakhs of it to a special fund for assisting Sind and Orissa to meet their expenditure on the adaptation of old and the provision of new official buildings. It was originally intended to advance the amounts required for this purpose by way of interest-bearing and repayable loans but there are two reasons why we think that this would be ungenerous. First because the needs of these two provinces look like being more than was supposed and secondly there is the consideration of what has been done in the past in similar circumstances. In 1921 all the provinces were started off with necessary buildings free of debt incumbrances. The North-West Frontier Province was given at its inception not only the existing Government of India buildings in the Province but also a grant of Rs. 3 lakhs to adapt them. It might reasonably be held then that Sind and Orissa have corresponding claims on the Centre. Moreover in assessing the subventions clearly the existence of a liability for loan charges for such a purpose would have to be taken into account and it may therefore be said that for a good many years at any rate the Government of India would, if it insisted on payment of these loan charges, merely be taking away with one hand and giving back with another.

I may perhaps add two things :—

(*a*) that we propose to limit our liability strictly to Rs. 45 lakhs, and

(*b*) that this amount will be divided so as to give Rs. 17½ lakhs to Sind and Rs. 27½ lakhs to Orissa. The reason for the apparent preference to Orissa is of course that Sind already has a considerable part of the buildings it will need.

After this grant there will remain available from 1935-36 a sum of Rs. 1,97 lakhs and before I can deal with this, we

must not only look at the position as it is likely to be in 1936-37 but we must also cast forward and attempt to make some estimate of the position we shall be faced with in 1937-38 and the immediately succeeding years.

36. *Revenue Reserve Fund.*—We now expect to have a non-recurring balance of Rs. 1,97 lakhs available from 1935-36 and an estimated surplus of Rs. 2,05 lakhs available in 1936-37. What does this imply for 1937-38 which we are assuming to be the first year of Provincial Autonomy? If all goes well, we may perhaps count upon certain reductions in interest charges and improvements of revenue which will produce what in Government of India parlance is known as a better-ment of some Rs. 2½ crores over the figures for 1936-37. On the other hand, the separation of Burma will cost us Rs. 2¾ crores in that year while it would not be safe to assume a figure of less than Rs. 2 crores as the cost of the initial adjust-ments which will emerge from Sir Otto Niemeyer's enquiry, *i.e.*, on the existing basis of taxation we can expect in 1937-38 at best a bare balance. If this conclusion is right, then it looks at first sight as if it would be unjustifiable to reduce taxation at all this year and of course it is always much more satisfactory to play for safety in financial affairs. I know however what feeling was aroused in commercial quarters by the postponement of their claim for a reduction of the emer-gency taxation in favour of the restoration of the pay cut and it behoves me therefore to look a little more closely into the possibilities. For this purpose it is necessary to look also at the year 1938-39. There ought in that year to be no major alterations of expenditure while we may hope that if our affairs continue to go well, there may be a further expansion of some Rs. 2 crores in revenue receipts. If this calculation is justified, then it would perhaps be legitimate to reduce

taxation in 1936-37 by something like Rs. 2 crores if we can find a non-recurring balance of about the same amount to fill up the consequent deficit in 1937-38. Here then is the significance of the Rs. 1,97 lakhs remaining over from 1935-36. I propose to ask the House to transfer this balance to a Revenue Reserve Fund available to help out the finances of the first year of Provincial Autonomy and in this way I can, with a fairly clear conscience, propose remissions of taxation in 1936-37 so long as they do not alienate revenue to a greater extent than about Rs. 2 crores a year.

What then shall the reductions be ?

SURPLUS FOR 1936-37.

37. *Reduction of Taxes on Income.*—The most insistent demand with which I am confronted is the claim for the abolition of the emergency taxes upon income and, as the House knows, there exist certain pledges upon this subject given by my predecessor. The complete removal of the present surcharge of one-sixth on income tax and supertax would cost Rs. 2,76 lakhs per annum, while the abolition of the tax on incomes between Rs. 1,000 and Rs. 2,000—which, as I said last year, must also be included in the emergency class—would cost Rs. 47 lakhs more. Obviously if we are limited to surrendering no more than Rs. 2 crores a year, we cannot meet the demand for abolition in full. But we can go a good way towards it and we propose to abolish the tax on lower incomes and to halve the present surcharge, leaving it in future at one-twelfth. In other words, we shall in the last two years have removed the emergency tax on lower incomes altogether and reduced the surcharges on income tax and supertax by two-thirds. The cost of the proposed reductions is Rs. 1,85 lakhs and the surplus for 1936-37 is reduced to Rs. 20 lakhs accordingly.

38. *Reduction in Postage Rates.*—With no more than Rs. 20 lakhs left in hand we can clearly make no further substantial cut in taxation and we propose, therefore, to make a postal concession which, though inexpensive, will, we believe, be generally welcomed if not gratefully received. This is the increase in the weight of the one anna letter from a half to one tola and the adoption of a scale of an additional half anna for every additional tola. It will cost Rs. 13 lakhs a year and it will absorb all but Rs. 2 lakhs of the expected surplus on the Posts and Telegraphs budget and all but Rs. 7 lakhs of that on the general Budget.

Conclusion.

39. I have now completed my story. I cannot expect that everybody will find it agreeable. I do expect, however, that all fair-minded people will admit that it is a reasonable compromise between the claims of the agricultural producer, the claims of the direct taxpayer and the supreme necessity for preserving the credit of India. If I have erred, I think it is in departing too much from the strict canons of financial orthodoxy which I put forward last year, *viz.*, that non-recurrent resources should not be devoted to recurrent demands. The only justification for this departure is the fact that India's economic and political barometers are both rising. If they continue to rise, all may be well. If they do not, the risk will be proved unjustified. And perhaps I may end by saying that the economic barometer cannot rise if the political barometer falls and that the political barometer must fall if the political thermometer rises.

P. J. Grigg.

The 28th February, 1936.

RAILWAY BUDGET.

Extract from the proceedings of a meeting of the Legislative Assembly held in New Delhi on Monday, 17th February 1936.

Speech of the Railway Member introducing the Railway Budget for 1936-37.

I rise to present to the House the Railway Budget for 1936-37. Hon'ble Members will shortly have in their hands the papers which it has now become customary for the Railway Department to furnish Hon'ble Members with, in order to enable them to follow clearly the figures on which the estimates are based, and no explanation is necessary on my part with regards to these papers. I would only draw the particular attention of Hon'ble Members to the graphs included in the Budget Memorandum, which would show at a glance the salient figures of the finances of Railways since the separation of Railway Finance from the General Budget. Ever since the Railway Budget has been separated from the General Budget, it has been the practice of Hon'ble Members, when giving notice of cuts to indicate briefly the nature of the questions which they intend to raise, and I have no doubt that this salutary practice, which enables Government Members to supply the House with fuller information on the points raised than would otherwise be possible, will be continued. This request has been made year after year by the Railway Member, but the practice to which I have referred has now become so well established that I do not think it will be necessary for me or for any of my successors to repeat his request.

2. In presenting the Budget for 1935-36 this time last year, my predecessor, Sir Joseph Bhore, felt that the hope that Railway earnings were on the road to recovery had been justified and that there were good grounds for an optimistic

forecast with regard to the future. This spirit of optimism was based on the improving traffic receipts in the first ten months of 1934-35. It is somewhat of an irony, however, that even as he was making his Budget speech in this House, the clouds had begun to gather and the optimistic anticipations of a continuance of improvement in traffic and earnings had begun to fade away. It was about the middle of February 1935 that railway receipts again began to exhibit a downward tendency, and since then that tendency has persisted almost unchecked, though the decrease has been more in some months than in others. It had been anticipated that for the first time in many years, our commercial lines would give us in 1935-36, a surplus,—small, it is true, but still a surplus. The House is already aware that there is no likelihood of that hope being fulfilled; a deficit is inevitable, and it is only the exact size of the deficit with regard to which there is any doubt.

Financial Results of 1934-35.

3. The House will thus realise that I have not a very cheerful tale to tell, and I shall not detain the House over preliminaries. Before I proceed to explain the estimates for the current and the next year, it will probably be useful to make a brief reference to the financial results of 1934-35. These are described in detail in the Administration Report issued by the Railway Board early last month. The Budget estimates for 1934-35 had estimated a deficit of 5¼ crores, including the loss on strategic lines. At the time of the presentation of last year's Budget, however, it was hoped that the deficit would be reduced from 5¼ crores to 4¼ crores. Owing to the slump in traffic which supervened during the last six or seven weeks of the last financial year, the actual deficit for 1934-35 turned out to be 5 crores, that is to say, three-quarters of a crore higher than was expected. Of this, 2 crores was attributable to strategic lines.

Revised Estimates for 1935-36.

4. When the Budget for 1935-36 was framed, it was estimated that the total traffic receipts in respect of State-owned lines would amount to 93½ crores, and the total working expenses, including depreciation to 64.43 crores. Allowing for miscellaneous receipts and expenditure, the net railway revenue was estimated at 29¾ crores, resulting in a deficit of under 2 crores. To justify this estimate of traffic receipts we should have earned in 1935-36 about 3¼ crores more than we earned in 1934-35, but during each of the last ten months traffic earnings have unfortunately been almost consistently below last year's, and it is now considered unlikely that our traffic receipts will exceed 90 crores, which, allowing for the extra day in February this year, is really half a crore below last year's figures and 3½ crores below our Budget estimate. The principal commodities that have contributed to this fall in traffic earnings are rice, cotton and oil seeds, the last alone being responsible for a fall of over 60 lakhs in the first 7 months of the year. On the other hand, we expect our working expenses (including depreciation) to be 64.01 crores, that is to say, 42 lakhs below our budget estimate. Allowing for miscellaneous receipts and expenditure, our total net revenue is expected to stand at 26.83 crores, which is slightly more than that in 1934-35. Owing to a fall in the rate of interest resulting in our interest charges being 43 lakhs less than last year, the net deficit is expected to be half a crore less than in 1934-35, or just over 4½ crores. It is proposed to meet the total deficit of 4½ crores by a loan from the depreciation fund, the actual balance of which will, at the end of the financial year, be just under 9 crores. Our total borrowings from the depreciation fund to meet deficits will reach the high figure of 32 crores. But for these borrowings the actual balance

of the depreciation reserve would have amounted to just over 41 crores.

5. Finding that during the first quarter of the year the level of our traffic earnings was consistently below that of the previous year, and realising that we were likely to be faced with a much bigger deficit than we had anticipated, we took necessary steps to impress upon the Agents, who are directly responsible for the administration of the vast Railway System of India, the necessity of watching the position very closely and of devising methods of increasing revenue and reducing expenditure so far as was practicable. In July last, my Hon'ble Colleague the Finance Member and I called a preliminary Conference of all the Agents of Class I Railways for an exchange of views with regard to the ways and means of meeting this set-back in railway earnings. In the beginning of October, we had another meeting with the Agents, when we were able to go into suggestions for the improving of net revenue at some greater length, and the Agents took advantage of the opportunity to discuss the various suggestions among themselves. At these meetings Agents were asked to take stock of the position of their individual lines and to consider what they could do to improve the present position. As a result of the examination of their tariffs undertaken by the Railway Administrations, it was found that there was no great scope for an increase in freights without risk of undue hardship to trade or further reduction in earnings. Nevertheless, Railway Administrations are taking steps to make small increases in their freights, where these are possible without involving a risk of one or other of the contingencies to which I have referred, and it is expected that as a result of these changes, an addition of about a crore may be made to our earnings in the course of 1936-37.

6. As regards passenger earnings, we expect the result to be better than the actual earnings in 1934-35 and our budget estimate for 1935-36. The increase, as compared with the latter, is likely to be 55 lakhs, and as compared with the former, 37 lakhs. The total number of passengers carried in the first seven months of the year is 2¼ millions more than the number carried in the corresponding months of the last year, and the passenger miles during the same period are 2 per cent. higher than last year.

7. As regards goods, though the total tonnage carried during the first seven months of the year is practically the same as that carried in the corresponding period of last year, the ton mileage shows a decrease of ½ per cent. The reduction of the coal surcharge has had very little effect in stimulating traffic but has operated to reduce the earnings of the first seven months by 11 lakhs; though there has been a small increase of ¼ million tons in quantity as compared with last year, the number of wagons loaded has been smaller. Rice traffic, which was exceptionally brisk in 1934-35 as the result of heavy imports of Burma rice for the devastated areas in Bihar has undergone considerable reduction this year and is responsible for a loss of 40 lakhs in the first seven months of the year. Grain and pulse show a fall of 10 per cent. in quantity and 20 per cent. in earnings, amounting to 20 lakhs. Oil seeds, owing to short sowings last year as a result of the fall in prices, are down by nearly 600,000 tons (30 per cent.) in quantity and 61 lakhs (33 per cent.) in earnings. There has been a fall of 18 per cent. in respect of cotton, both in earnings and in quantity, and this has been responsible for another 20 lakhs. The only commodity in respect of which we have witnessed a large increase is metallic ores. These have shown an improvement, during the first seven months of the year, of

30 per cent. in quantity and over 40 per cent. in earnings, amounting to 23 lakhs.

8. As regards ordinary working expenses, there is expected to be an apparent decrease of 42 lakhs and a real decrease of 17 lakhs, as compared with last year. This disparity is explained by the fact that an item of 12½ lakhs in respect of charges on account of freight on coal consumed on the Bombay, Baroda and Central India Railway during 1935-36, was included in the accounts of the previous year as the coal was received in advance before the beginning of the current year. If that item had not been included in the accounts of the previous year and had been debited to the current year, it would have reduced the working expenses of the previous year by 12½ lakhs and would have correspondingly increased the working expenses of the current year.

9. As the House is aware, the emergency deduction from the pay of railway servants was abolished from the beginning of the current year as in the case of other Government servants, and this will result in an increase of expenditure during the current year by 90 lakhs. This has masked the decrease in expenditure of 42 lakhs and has converted it into an increase of 48 lakhs. As compared with the budget estimate, however, the revised estimate shows a saving of 40 lakhs on account of ordinary working expenses. The House will recall that the terrible earthquake of the 31st May 1935 did considerable damage to our buildings at Quetta. Our working expenses have, however, been affected by the earthquake only to a small extent. It was fortunate that the railway line within the affected area was not seriously damaged; for apart from the loss to railway finances, such damage would have seriously upset the running of trains and would have rendered relief operations far more difficult and far less effective, thus adding

considerably to the horror and suffering of those involved in this calamity.

10. While on this subject, may I beg the indulgence of the House to interrupt my narrative in order to pay a well-deserved tribute to the devotion to duty displayed by all grades of railway staff throughout the area affected.

Budget Estimates for 1936-37.

11. Turning now to the estimates for the next year: We have placed the total traffic receipts on State lines, both commercial and strategic, at 91¼ crores against 90 crores in the current year. This means an increase of 1½ crores, allowing for the extra day in February this year, as compared with 1935-36. Our total working expenses, including depreciation, are estimated at 64½ crores. The net traffic receipts will thus stand at 26¾ crores. Allowing a crore for miscellaneous receipts our net revenue will stand at 27.67 crores, an improvement of 84 lakhs upon the current year. This figure will fall short of our total interest charges by 3.44 crores, so that a loan of 3.44 crores from the depreciation fund will again be required, and the actual balance in the fund at the end of the year is likely to be about 11¾ crores. Our total loans from the fund will stand at about 35½ crores and the nominal balance of the fund will be over 47¼ crores.

12. Our estimate of earnings for 1936-37 has been framed in a conservative spirit. It assumes an improvement of a crore from alterations in rates and fares which Railways have introduced or intend to introduce during the current year, but in actual volume of traffic it assumes no more than that in 1936-37 we shall get the traffic that we actually got in 1934-35 and that we shall recover the ground we have lost during the current year.

13. We have estimated our ordinary working expenses at 51¼ crores, which is half a crore above the figure for the current year. Nine lakhs of this increase is due to the restoration of the deduction in salaries inasmuch as, during the current year this restoration was operative only in respect of eleven months, and during the next year it will be operative in respect of the full twelve months. Again, as I have explained, the current years total of working expenses should have been 12½ lakhs higher if a particular item of expenditure pertaining to the year had not been incurred last year and included in that year's accounts. The real increase in working expenses over the current year is, therefore, only 28½ lakhs.

14. Our programme of capital expenditure for the next year is necessarily more restricted than the programme for 1935-36, and the total expenditure on works included in it is only 11½ crores. In view of the fact that for many years the actual expenditure on capital works has, for various reasons been much lower than the amounts that we have provided in our budget estimates, we have decided to make a lump sum deduction of 1¼ crores from the total sum required and to provide only 10¼ crores for the purpose. This includes a quarter of a crore for new construction which is practically confined to the Megna Bridge. In view of the fall in traffic, we propose to purchase only 750 general service wagons next year. Practically all the other works are in the nature of replacements and improvements of the open line, such as renewals of track, for which we have provided 5 crores; strengthening of bridges, for which we are likely to require ¾ crore; and rolling stock, on which we expect to spend a little under 3¼ crores.

15. In his budget speech last year, Sir Joseph Bhore, basing his hopes on the traffic figures for the first 8 months of

1934-35, said that there was good justification for the view that we had definitely turned the corner and that we might now hope once more, with some measure of confidence, for a period of balanced budgets so far, at any rate, as our commercial lines were concerned. This year's figures would appear to indicate that those anticipations are not likely to be realised for some years. Though it is expected that this year's deficit will be smaller than last years, mainly owing to a reduction in the rate of interest, and it is hoped that the results of next year's working would show a further small improvement, we must recognise that any real improvement in the position is likely to be slow. With expected deficits of 4½ crores and 3½ crores in 1935-36 and in 1936-37, respectively, following upon accumulated deficits in each of the previous 5 years, totalling nearly 38 crores, it is obvious that the seriousness of the position cannot be under-rated.

16. Railways are our biggest national asset; and in view of the situation in which we find ourselves and also having regard to the impending changes in Railway Administration, namely the handing over of the Administration of our Railways to the Federal Railway Authority, I venture to think that I would have the indulgence of the house in attempting a brief review of Railway finances for the past few years, say, from the date of the separation of railway finances from general finances, to discover, if possible, the factors which have contributed towards placing us in our present unenviable position, so that knowing what is wrong with us we might be able to attempt a remedy. The period I propose to take for this review is from 1924-25 to 1934-35, the former being the first year of the separation of finances and the latter, the last completed financial year.

17. Under the separation convention, Railways were required to pay a contribution to general revenues as follows :—

1 per cent. on the Government capital at charge for commercial lines at the end of the penultimate year, *plus* 1/5th of the net gain of the penultimate year *minus* the loss on strategic lines during the penultimate year. In addition, when the year's results showed a surplus after meeting the fixed contribution based on the results of the penultimate year and if the surplus exceeded Rs. 3 crores, 1/3rd of the excess over Rs. 3 crores had to be paid to general revenues. Any profit left after paying the above contribution was to go to a reserve fund. At the same time a depreciation fund was founded, the contribution to this being based on the lives of the various assets on a strictly straight line basis. The liabilities imposed on Railways were to meet their working expenses, including their contribution to the depreciation fund, interest on capital at charge, and contribution to general revenues, as detailed.

18. Now let us examine how far Railways have been able to meet these liabilities during the period under review. This period may be sub-divided into two sub-periods, which may be described as the period of prosperity—1924-25 to 1929-30; and the period of adversity—1930-31 to 1934-35. During the period of prosperity, Railways met all their liabilities, and even in 1930-31, the first year of depression, they contributed 5¾ crores to general revenues. This contribution was, however, met from accumulations in the Railway Reserve Fund. In all, during this period, after meeting all their liabilities, Railways contributed 42 crores to general revenues. After 1930-31, Railways have made no contribution to general revenues, and have only been able to meet working expenses and interest charges by borrowings from the depreciation fund. The total amount borrowed from this fund up to the

end of 1934-35 was 27½ crores, and the actual balance in that fund had been reduced at the end of that year to 9½ crores. It should be noted, however, that since the contribution to general revenues has ceased, Railways have taken over the responsibility for loss on strategic lines—about 2 crores per annum.

19. The main reasons for the falling off in earnings during the period of adversity may be summarised briefly as—

(*a*) World depression and general collapse of commodity prices.

(*b*) the striving after self-sufficiency by almost every country in the world including India and development of internal trade and production;

(*c*) increase in motor competition, and to a lesser degree, river and sea competition.

To these may be added certain factors which have tended towards keeping our working expenses at a higher level than we would have reached had these factors not come into play and these are :—

(*i*) labour legislation;

(*ii*) improvement in service conditions of staff.

Under (*a*) in the first group, *i.e.*, world conditions and collapse of commodity prices, I only propose to deal with our main products, *viz.*, cotton, wheat and oil seeds. With respect to cotton, the acreage sown appears to vary in direct proportion to the market price, and obviously railway earnings vary with the area under cultivation. In November 1923, Broach cotton reached a price of Rs. 715 per candy. During that year, the area under cultivation was 23,636,000 acres. In the next year, the acreage increased to 26,801,000, and in 1925-26 to 28,491,000. In 1926, the price of Broach cotton

dropped to Rs. 236 per candy, and in 1926-27 the acreage under cotton fell to 24,882,000. There was a still further drop in acreage in 1927-28, but, apparently, owing to the increase in the price in 1927, when Broach cotton reached Rs. 491 per candy, the acreage again increased to 27,000,000. In 1928-29 lower prices again prevailed and the acreage dropped to 26,000,000. In 1930, the price dropped still further and the acreage fell to 23,800,000. Lower prices again prevailed in 1931 and there was a further drop in acreage to 22,480,000. In addition to the fall in price, in some of these years the crop was affected by unfavourable weather conditions. As an example of the effect which these conditions may have on the crop, we find that in 1930-31 the yield per acre was 88 lbs., whereas in 1933-34 it dropped to 68 lbs. Our earnings from cotton dropped from Rs. 4½ crores in 1929-30 to under 3½ crores in 1934-35. Taking the Great Indian Peninsula Railway alone, in 1929-30, the earnings from cotton were 187 lakhs as compared with 90 lakhs in 1934-35.

20. Before the War and up till 1924-25, India was a large wheat exporting country. Since that year, the export traffic in wheat has been practically dead, and till lately there seemed to be little chance of Indian wheat getting into world parity despite the efforts that had been made to stimulate such export by giving a rebate on railway freight for such traffic. The difference in earnings between 1924-25 and 1934-35 on this traffic is almost exactly Rs. 2 crores, of which the North Western Railway alone have lost about Rs. 1¼ crores.

21. Traffic in oil seeds has dropped within the last six years by Rs. 1½ crores. The traffic on the Madras and Southern Mahratta Railway alone has dropped from Rs. 127 lakhs to Rs. 66 lakhs. The reduction in our earnings on these three

commodities alone is just over Rs. 4½ crores, *i.e.*, just about the figure of our expected deficit this year.

22. As regards the second factor which I have mentioned above, *viz.*, the striving after self sufficiency and the development of internal trade and production, the general effect of this policy on railway earnings, so far as India is concerned, has been to replace long lead traffic to and from the ports by short lead internal traffic. With increasing prosperity and the further development of industries in the country, part of this loss may be made up, but it is apprehended that in the present state of world industry and international commerce, it will take a very considerable period of time for this happy consummation to be achieved. The North Western Railway estimate that they alone have lost over 50 lakhs a year on account of this substitution of short lead traffic for long lead traffic. Again, India has, in the past been a very large exporter of groundnuts, especially to France. In recent years, France has been encouraging the growing of groundnuts in her own African Colonies, thus displacing the Indian products to a considerable extent from the French Market. Other examples could be quoted, but these will, I think, suffice to illustrate how the policy adopted in India and other countries may react on railway earnings. India is in the course of re-adjusting itself to new conditions in this respect, and a certain amount of disturbance of old conditions is inevitable during the transitional period. Our concern is due to the anticipation that the transitional period is likely to be a protracted one.

23. Take again the effect on railway earnings of irrigation scheme like the Lloyd Barrage in Sind and the Mettur project in Madras, both of which it is hoped, will prove of such great benefit to the country as a whole. The immediate

result is bound to be a loss to Railways inasmuch as the effect of this and similar schemes is to restrict the area of supply and to substitute local produce for commodities brought from a distance. In the case of the Lloyd Barrage, the North Western Railway is, it is estimated, already losing 20 lakhs a year by the substitution of Sind wheat and cotton for Karachi in preference to Punjab wheat and cotton with its longer lead. If, however, Punjab wheat begins to be diverted in larger quantities to the United Provinces, Bihar, and Bengal and even, let us hope, to the South of India, Railways might more than regain the traffic in this commodity which they have lost in Sind. These illustrations will show how the growing prosperity of the country itself in various directions might adversely affect railway earnings, but, as I have said above, this phase may only be temporary, and there can be no doubt that, given a material and permanent increase in the prosperity of the country in the agricultural as well as in the industrial fields Railways may eventually find themselves in a better financial position than they have achieved at any time in the past.

24. When Railways were originally projected, they had to all intents and purposes, a monopoly of long distance transport, both passengers and goods. Being in this position, they were hedged round with restrictions for the protection of the railway user in order that they should be worked for the benefit of the country as a whole, and not entirely for the benefit of the shareholders. Times have changed, and now there is another competitor in the field of transport,—a competitor which so far has not had to operate under the same conditions as Railways,—I refer to road motor transport. It is estimated that to-day Railways are losing Rs. 3 crores of revenue to the roads per annum. So far the loss has mainly been on passenger traffic, but signs are not wanting that

valuable goods traffic, such as piecegoods, is being lost to the roads. This process must continue unless there is a reconsideration of the present road and motor transport policy. At present much of the money available for roads is being spent on the improvement or reconstruction of roads in competition with Railways, and yet there are in the aggregate vast areas in India which have no means of modern transport either by road or by rail. Then, apart altogether from road transport, river and sea competition has been intensified in the past few years. These interests, owing to the trade slump, have had to cut down their rates or go out of business. In some cases it has been possible to retain traffic to the railways, but only by a reduction in rates with consequent loss in earnings.

25. Turning now to the items which have had the effect of adding to our working expenses: Within recent years, a good deal of labour legislation had been enforced in India, which has added materially to the liabilities of Railways. The application of the Washington and Geneva Conventions to Railways has meant a debit of about half a crore of rupees per annum to railway revenues. In prosperous time, this might have been regarded as an inconsiderable sum, but in these times of depression an addition, even of this amount, to our working expenses assumes large proportions.

26. During the prosperous period when Railways were meeting all their liabilities and paying their contribution to general revenues the Government of India decided to reduce railway rates. The net effect of the reduction, assuming there was no increase of traffic, would have been a loss of Rs. 5 crores to railway revenues. It was hoped, however, that a reduction in rates would stimulate traffic and the loss would be made up in increased traffic. Having helped the railway user to this extent, the Government of India further decided

that the lower paid staff had claims to share in the prosperity of Railways, and certain increases of pay were granted to these categories of staff. The cost of these was somewhere in the neighbourhood of another Rs. ½ crore per annum; again, a liability which could have been easily absorbed in prosperous times, but which in these days of depression is difficult to meet.

27. That, I think, states the present position. What have Railways done to improve this position and what are the prospects for the future? During the years of adversity, all railways have overhauled their expenditure, every item of expenditure coming under scrutiny. The result has been that working expenses have been reduced by about Rs. 6 crores per annum. Attempts have been made by judicious increases or decreases in rates and fares to increase earnings. Some of these attempts have been successful; others less so.

28. Next, as to counteracting the factors which, as stated above, are mainly responsible for the loss in railway earnings. I think it is quite clear that till world conditions improve and there is a general rise in the prices of commodities, there is little, if any, prospect of Railways regaining the greater part of the traffic they have lost on this account. Though the signs may be faint, there are, I think, signs that world conditions are improving. The reactions of this will be felt in India and we may reasonably hope that there will be a general tendency for our traffic to increase in the commodities I have already mentioned. As regards the problem of self-sufficiency, the more outside countries become self-sufficient, the less will India export to them, and unless there is a radical change in general world policy, I am afraid there is little chance of regaining the traffic loss through this cause. As for the self-sufficiency of India herself, as her industries

develop, presumably the country will become wealthier, and though we may have lost the larger portion of our long lead traffic, if there is more money to spend it is bound to have its effect on railway earnings.

29. If railways are to regain their lost position, or even retain their present position, it is essential that road transport should so far as is possible be placed on a fair competitive basis. I firmly believe that this would be in the interest of all concerned. There is plenty of scope for both forms of transport, and though competition is inevitable, they may to a great extent be complementary. This country has not yet been fully developed and provided with modern means of transport. Surely, till such a stage is reached, the correct policy would be to devote all the money available to the opening out either by road or by rail communications of carefully selected new areas, with the object of getting their produce to the markets of India and the outside world. We are often told by businessmen and industrialists that the panacea for all their troubles is low railway rates, but low railway rates presuppose a large volume of business for the railways. Is the necessary volume of business within sight of being obtained ? I am quite definitely of opinion—No, unless there is a properly co-ordinated road and rail policy. Mr. Pelley, President of the Association of American Railroads, in a letter to the public, dated December 9th 1935, writes as follows :—

"RAIL PROGRESS NOT ENDED.

"Nor has progress in railroading come to an end. The improvements in safety, comfort, speed and attractiveness of passenger trains in the past few years are well known. Less well known but perhaps more important are the improvements in freight service, either now in effect or under way.

"Regardless of the degree of efficiency which may be achieved by railroads, they will not be able by themselves to solve the so-called 'railroad problem.' In truth, it is not a railroad problem. It is a transportation problem, to be solved finally not only by the efforts of the railroads themselves, but also by the correction of the unwise public transportation policies which are at the root of the trouble.

"That railroads have been able to stay in business at all under such unequal conditions of competition, and to do the major transportation work of America, is due to the inherent superiority of the rail method of hauling, which alone can combine in one co-ordinated continent-wide operation the flexibility of the single car with the economy of mass transportation in long trains.

"The great need of the railroads to-day is more business. As the total commerce of the country may increase with national recovery, the railroads will secure the needed volume if given equality of treatment."

What is true in America to-day is equally true in India.

30. The main difficulty, however, in the way of a proper and thorough co-ordination between rail and road transport, which is peculiar to this country, is that Railways are the concern of the Central Government, and the development of roads and the control of motor transport that of the Provincial Governments. I fully appreciate the position of the Provincial Governments, whose policy is naturally influenced by a strong and often vocal public opinion. But there are certain fundamental facts which are sometimes forgotten. The finances of the Provinces are ultimately dependent, to a large extent, upon the prosperity of the Central Government and the prosperity of the country is dependent, to a large extent, upon an efficient and cheap system of railway transport. It must be realised that over 750 crores of the taxpayer's money have been invested in Railways in India, and in the last resort it is the Indian taxpayer who must pay

the interest charges amounting to over 31 crores on this capital. Nor must it be forgotten that the success of the new system of autonomous provinces presupposes that Central revenues will have a considerable surplus for distribution among the provinces. If Central revenues are faced with the prospect of having to finance an unremunerative system of Railways their capacity to contribute towards the resources of the provinces will be correspondingly reduced. It will thus be seen that the financial prosperity of the provinces is intimately bound up with the prosperity of Railways, and it is to be hoped that Provincial Governments will assist the Centre in the adjustment of policy which now appear to be inevitable. We propose to discuss the question further with them in the near future.

31. As regards labour legislation, I would invite a reference to a Report recently issued by the Labour Officer to the Bombay Government which compares the conditions of certain categories of railway labour in the Bombay Presidency to that of labour employed by private firms. A perusal of that report will show that the Bombay railways have no reason to be ashamed of the conditions under which their labour is working; and what is true of Bombay is, I think, true of railways throughout India. That being so, I think a stage has been reached where a halt might be called, at least for some time, more especially having regard to the present financial position of railways, in the liberalisation of rules relating to the hours and conditions of work and the granting of further privileges to our staff, which, though individually they may not have cost a very large sum of money, have, in the aggregate, considerably increased the working expenses of railways.

32. I might here refer to two other factors which occasion considerable leakage in railway revenue, for which a remedy

must be sought at an early date. I have in mind the evils of the ticketless passenger and the under-charging of freight either by the negligence or the fraud of railway employees through under-weighment and misdeclaration of goods. As regards the latter, I have had occasion to impress upon Agents of Railways the necessity of a more rigorous check of the work of the class of railway employee whose duty it is to charge freight upon goods consigned to railways for carriage; and in some cases, a stricter check has already been introduced and has shown good results. The evil is, however, of long-standing, and though I shall be glad to see a stricter and more rigorous application of their disciplinary powers by the Agents directed towards the checking of this evil, I am afraid it is not likely to be effectively checked without the active co-operation of the commercial community of the country, for, in every case of underweighment or misdeclaration the consignor or his agent, whatever the degree of culpability of the railway employee, must be an active participant in the fraud practised upon the railways. Under the circumstances, it is difficult to say what steps must be taken to eradicate the evil altogether. The development of a healthy public opinion upon the subject would go a very long way towards uprooting this evil. It must surely be realised that it is as culpable to cheat the Railways out of their proper dues as it is to cheat an individual out of his. Meanwhile, I would make an earnest appeal to Hon'ble Members and, through them, to the general public to co-operate with Railways in bringing to notice cases of this sort so that deterrent disciplinary action may be taken where the culpability of a railway employee can be established.

33. The problem of the ticketless traveller is equally not a new one. It has been repeatedly brought to the notice of

Government by the Indian Railway Conference Association which has urged upon Government the necessity of stricter legislation for dealing with this evil. The magnitude of this evil may be surmised from the fact that during 1934, the number of passengers detected travelling without a proper ticket was close upon 27 lakhs; and, during 1933, the number of such passengers was over 29 lakhs. I have had occasion to examine the figures bearing upon this matter for the last ten years, and find that there has been a progressive increase in these numbers during that period: from 17¼ lakhs in 1925 to over 29 lakhs in 1933, with a drop to just below 27 lakhs in 1934. These numbers only furnish a rough indication of the extent of the evil, for it is feared that the number of those travelling without proper tickets who are not detected is very much larger than the number of those who are detected. Government have been reluctant to introduce legislation to counteract the evil of ticketless travel, inasmuch as they desired that every practical method which knowledge and experience suggested should be explored before they committed themselves to legislation. These methods have failed and it is estimated that the loss to railway revenues on this account is at least Rs. ½ crore per annum, and it is possible that it is considerably more. Government have, therefore, been forced to the conclusion that stricter legislation designed to check the practice of ticketless travel is inevitable if Railways are to be safeguarded against the greater portion of this loss. It is considered that it is not too much to ask the user of railways to pay a fair charge for services rendered, and, if he fails to do so, to render him liable to punishment in the same way as a man is punished if he is caught purloining other people's goods, as, after all, the offence of travelling without a ticket is

in its essence no different from obtaining goods on false pretences. It is, therefore, proposed to place before the House, in due course, legislation by way of amendment of the Indian Railways Act, which would make it easier to deal effectively with this evil, and I trust Government will have the assistance of Hon'ble Members in placing it on the Statute Book at an early date.

34. Reference may also be made to one or two other factors which might, to some extent, help to relieve the present situation. Owing to the gradual fall in existing rates of interest and conversions of loans borrowed at high rates of interest in the years immediately after the War, we may expect a reduction in our interest charges of between 25 to 50 lakhs a year, increasing from year to year. The new scales of pay that have been introduced for Railway servants will also, it is expected, ultimately result in savings of between 2 and 3 crores a year, though it will be some years before these savings become appreciable. The continuous pressure of job analysis and the examination of all items of expenditure, however small, with the object of relentlessly eradicating waste and extravagance may yet result in some further saving in expenditure, which, though small with regard to individual items, may, in the aggregate, be considerable. These factors will, however, in part, be counterbalanced by automatic increases due to increments in pay, and the net result, though substantial, cannot be expected to be spectacular.

35. As against the rather gloomy picture of the present position of our Railways that I have sketched in the preceding paragraphs, we have at least the consolation that our position is no worse than the position of other railways throughout the British Empire and throughout the world : in fact, it is considerably better than in most other countries. The following

figures, showing the percentage of Net Revenue to Capital of the Indian Railways, compared with the British Group Railways and certain of the Dominion and Colonial Government Railways, may be of interest. During the year 1933-34 and 1934-35, Indian Railways earned 3.40 per cent. and 3.64 per cent. on their capital at charge. During the years 1933-34 and 1934-35, the British Group earned 2.30 per cent. and 2.50 per cent. During 1933-34 and 1934-35, New South Wales Government Railways earned 2.62 per cent. and 3.14 per cent.; Nigerian Railways 3.46 per cent. and 4.21 per cent. (no contributions being made to renewals); New Zealand Government Railways 2.05 per cent. and 2.01 per cent.; Tanganyika Railways, 2.15 per cent. and 3.31 per cent. In 1934-35, the Western Australian Government Railways earned 3.61 per cent. For the two years, 1933-34 and 1934-35, South African Railways earned approximately 3 per cent. and for the same period it is interesting to note that the Railways of the United States earned 1.8 per cent. It should also be noted that generally the operating ratio of Indian Railways is better than the operating ratio of other railways throughout the world. Details of how this compares with other Railways will be found in the Railway Board's latest Administration Report.

36. To sum up, the position, though causing anxiety and requiring ceaseless watchfulness, is not, by any means, desperate. Given a reasonable improvement in world conditions, regulation of motor transport on a fair competitive basis, a check on further concessions and privileges to Railway staff, and legislation imposing effective check upon ticketless travel,—there is a fair chance that the financial position of Railways will gradually improve and that they will, within a reasonable period, achieve a sound financial position.

In conclusion, I desire to convey an expression of my gratitude to the members of the Railway Board as well as to all those upon whom rest the responsibility and the burden of administering and running the vast system of railways in India, for the loyal co-operation and assistance that I have received from them.

Rules and Regulations for the Measurement for Tonnage of cotton and other goods in bales or packages under the orders of the Bombay Chamber of Commerce.

Adopted at a Special General Meeting of the Chamber, held on the 24th September 1924.

I. Whereas it is expedient to collate and amend the Rules and Regulations for the measurement of goods.

II. All such Rules and Regulations hitherto in force are hereby rescinded and the following are substituted therefor with effect from the 1st April 1901.

III. In the following Rules and Regulations and in any Orders that may from time to time be issued by the General Committee of the Chamber of Commerce under Rule XVII.—

(*a*) Measurer shall mean a measurer appointed by the Committee of the Chamber of Commerce for the purposes of these rules.

(*b*) Measurement shall mean measurement by such measurer.

(*c*) Shipper shall mean the person shipping the goods or his representative.

(*d*) Quay shall mean a place in the Docks or at one of the Bunders recognized for the regular shipment of goods.

(*e*) Vessel shall mean a vessel propelled by sail or steam and not being used for the conveyance of goods from the Quay to another vessel in the Port of Bombay.

(*f*) Boat shall mean a vessel, lighter or craft used for the conveyance of goods from the Quay to a vessel in the Port of Bombay.

(*g*) Package shall mean a bale, case, barrel, cask, bag or other receptacle subject to measurement.

(*h*) Consignment shall mean the whole quantity of one commodity subject to measurement to be shipped by one shipper in one vessel.

(*i*) Lot shall mean a package or number of packages forming part of a consignment and presented by one shipper at one time for measurement.

IV. Public Measurers shall be appointed under the authority of the Chamber of Commerce and stationed at the different quays to measure packages.

V. Fees, the amount of which shall from time to time be fixed under the Orders of the General Committee of the Chamber of Commerce, shall be levied in accordance with such Orders on all goods presented for measurement.

VI. No measurements shall be held good except such as are taken by a Measurer and with instruments bearing the stamp of the Chamber of Commerce.

VII. Such instruments shall be supplied and issued to the Measurers by the Chamber of Commerce.

VIII. All instruments shall be submitted to the Secretary of the Chamber of Commerce at intervals to be prescribed by the Committee and a register of such inspections shall be kept.

IX. Measurers shall be responsible for the good order of their instruments and for the prompt return to the Secretary of the Chamber of such as are defective or doubtful.

X. The Chamber's stamp borne by instruments that are found by the Secretary to be defective shall be by him defaced.

XI. Instruments on which the Chamber's stamp has been defaced may be re-stamped under the directions of the Secretary when they are in good order.

XII. Certificates of measurements shall be issued to shippers and/or to Ship Agents in such form and in such manner as the Committee for the time being shall from time to time provide.

XIII. Provided always that the Measurer may withhold or recall such certificate on his having reasonable cause to believe that an irregularity in the matter of shipment has been or is being committed in respect of the goods to which such certificate relates.

XIV. The goods measured shall be alongside the vessel within thirty-six hours after measurement, weather permitting, or the certificate shall be void and the packages shall be remeasured on board, written notice being given by the owner, agent or master of the ship to the shipper and to the Measurer respectively.

XV. Shippers shall as far as possible see that their goods are so arranged for measurement as not to retard the work of the Measurers.

XVI. The salaries of the Measurers and all other expense connected with this system of measurement shall be paid by the Chamber of Commerce from the Fee Fund raised under these Rules.

XVII. The Committee of the Chamber of Commerce are hereby authorized to appoint and maintain such staff of Measurers and Assistants, to fix and to pay such salaries to that staff, to fix and to collect such fees, to issue and from time to time to modify such orders, and to do all other such acts and things as may in their opinion be necessary for the proper and economical working of the system in conformity with the general principles herein laid down.

Orders for the Conduct of Measurement of goods for Tonnage by Public Measurers in the Port of Bombay.

(Issued by the Committee of the Bombay Chamber of Commerce in pursuance of Section XVII of the Rules and Regulations adopted at a Special General Meeting of the Chamber held on the 24th September 1924.)

(1) All Orders hitherto in force for the governance of Measurers are hereby rescinded and the following are instituted with effect from the 1st April 1901.

(2) The Measurers shall be in attendance on the Quays to which they are appointed whenever there are goods to be measured. During the busy season Measurers are expected to be on duty early and late.

(3) All Measurement Fees shall be paid to the Measurement Fee Clerk, and no goods shall be measured without the production of the Customs House Pass bearing the endorsement of the said clerk to the effect that the fees have been paid.

(4) The certificates of measurement issued in conformity with Rule XII shall show—

(*a*) the date, hour and place of measurement;

(*b*) the name of the shipper;

(c) the name of the vessel;
(d) the port of destination;
(e) the number and description of packages;
(f) the marks;
(g) the measurement;

and in the case of goods shipped by boats—

(h) the registered number of the boat;
(i) the name of the tindal.

The certificates of measurement shall be issued by the Measurers and shall in every case be signed by the Measurer who measured the goods.

(5) The whole of the packages forming a consignment of not more than thirty-two packages must be deposited on the Quay before measurement is taken.

(6) Consignments of more than thirty-two packages may be presented for measurement in lots of not less than thirty-two packages provided always that each lot, as soon as it is measured, is loaded into boats or shipped and that no unmeasured lot is mixed with a measured lot. Provided also that a final lot of less than thirty-two packages, being the complement of a consignment of more than thirty-two packages, may be measured separately.

(7) Shippers failing to have each lot as soon as measured loaded into boats or shipped; or shippers mixing unmeasured goods with measured goods or permitting them to be mixed; or shippers retarding the work of the Department by failing to move with reasonable promptitude the bales required by the Measurer to be moved for the proper performance of his duties; or shippers attempting to elude these regulations, any such person or their representatives may be required by the Measurer to deposit on the Quay the whole complement of their consignment before measurement

is taken. In all cases when such requisition is made, the Measurer making it shall briefly report in writing to the Secretary the name of the shipper against whom the goods in respect of which and the reason for which, it has been made.

(8) A Measurer withholding or recalling a certificate under Section XIII of the Rules and Regulations adopted on the 24th September 1924 shall likewise briefly report to the Secretary in writing.

(9) No goods shall be measured otherwise than on a Quay excepting under the special conditions contemplated under Rule XIV and Order 22.

(10) Each and every package in a lot of packages not of uniform dimensions shall be measured individually. This Rule shall not apply to lots of pressed bales from various presses if the shipper arrange such diverse bales according to their respective dimensions separately on the Quay.

(11) In regard to packages of uniform dimensions the Measurer shall use his judgment as to the proportion of such goods he should measure; but such proportion shall in no case be less than five per centum of each lot. Care must be taken by the Measurers that they are not induced to measure packages that do not fairly represent the average.

(12) In no case shall a shipper's man or men be allowed to put the callipers on a package. A peon of the Chamber holding the callipers may, when standing exactly in front, pull them tight with his hands but not when standing on one side, nor shall he ever be allowed to pull the callipers towards his chest or side or to put his shoulder to them.

(13) In measurement for length, care must be taken that the legs of the callipers touch the ground and that bales when being measured lie in the same position as when in the press. Measurement of bales for depth and breadth

shall be taken on the ends, half the number of bales being measured on the marked end and half on the other end.

(14) Measurers when measuring pressed bales shall ascertain whether all are from one press or not, and under orders (10) and (11) of these orders shall further ascertain how many bales there are from each press and shall give measurement accordingly and show on the certificate the number of bales to which each measurement relates.

(15) In cases where the shipper shall hand to the Measurer a letter from the owner, agent or master of the vessel authorising the Measurer to accept for measurement and calculation of average such packages as the said shipper may reserve for such measurement, the Measurer shall measure the packages so reserved and give a certificate on the basis of their measurement, provided that such packages represent not less than five per centum of the entire consignment.

(16) The scale of measurement fees leviable under Rules V and XVII shall be as follows :—

(*a*) On Cotton, Wool, Hemp, Aloe Fibre, Twist (white and coloured), Rags, and waste in pressed bales—pies 6 per bale.

(*b*) On Round Timber or Logs—each annas 8.

(*c*) On Gunny bales from Calcutta, Hide and Skins, Piecegoods, and all goods not included under (*a*), and (*b*) packages of diverse dimensions—annas 2 per package.

Subject to a rebate of anna one per package on the Measurer's certifying that the lot measured consisted of not less than 50 packages all of uniform dimensions.

(*d*) On goods of any description measured on board a vessel —annas 2 per package.

(*e*) When the work of the Department admits of such an arrangement, the exclusive services of a Measurer for a day may be secured on payment to the Secretary of a fee of Rs. 10.

(*f*) The attendance of a Measurer on a Sunday or one of the Charter-Party Holidays when the Docks are closed may be secured on application to the Secretary, accompanied by the sum of Rs. 15 which shall be paid by him to the Measurer appointed by him to attend. The fee of Rs. 15 shall cover the services of one Measurer of one ship. If two Measurers are applied for two fees of Rs. 15 must be paid at the time of application. If a Measurer is required to work on more than one steamer a separate fee of Rs. 15 must be paid in repsect of each steamer.

(*g*) The attendance of a Measurer for night duty may be secured in the same manner as above.

(17) All disputes as to the applicability of Order 16 (*d*) under Rule XIV shall be referred to the Weather Working Days Committee of the Chamber and the decision of that Committee shall be final. With respect to Order 16 (*d*) a refund of pies 6 per package will be made on declaration of the said Committee, remitted on the invitation of the claimant that the state of the weather during the thirty-six hours of grace allowed had been such as to justify the shipper's delay in bringing the goods alongside.

(18) Refund of measurement fees in full shall be made in respect of a consignment or portion of a consignment shut out after measurement.

(19) In respect of Round Timber and Logs, the measurement to be certified, in accordance with Order 4 (*g*), shall be as follows :—

Length in feet and inches : As found with tape.

Breadth : The mean of two measurements taken with callipers at thickest and thinnest portions.

Depth : The mean of two measurements taken withcallipers at thickest and thinnest portions.

The certificate shall also show under Order 4 (*a*) not only the time at which the work of measurement was commenced, but the time at which it was completed. On

application to the Secretary supported by evidence of time as here provided refund will be made of the difference between the fee as prescribed under Order 16 (*b*), and a charge of Rupees Two for every hour or part of an hour actually occupied in measurement.

(20) Refund of Measurement Fees shall not be made for any sum less than three Rupees.

(21) All claims for Refund of Measurement Fees shall be made to the Secretary of the Chamber of Commerce who shall allow or disallow such claims in conformity with these Orders, but no claim for Refund of Measurement Fees shall be allowed unless presented within one month from the date of the sailing of the vessel concerned.

(22) Each Measurer shall keep a Dispute Book and it shall be competent for any shipper or the owner, agent or master of a vessel who disputes the correctness of a measurement given in respect of goods being shipped by him to call for the said Dispute Book, which the Measurer shall produce at once, and to enter therein a claim to have the goods in question or any portion of them remeasured. And on the said shipper or the owner, agent or master of a vessel depositing with the Measurer the sum of annas 2 for each package to be measured, the Measurer shall at once remeasure such package or packages in such a manner that the shipper or the owner, agent or master of a vessel can see whether the measurement is correctly taken and shall give to the shipper of the owner, agent or master of a vessel a certificate of the measurement so found and write thereon the word "Protested Certificate. Fee paid Rs....." and the sum so paid. The Measurer shall immediately thereafter forward to the Secretary a statement of the case together with the amount of the Fee received.

Provided that on any of the stations where more than one measurer is employed, the Measurer whose measurements are disputed shall, immediately after receiving the protest and fee, call another Measurer who shall make the remeasurement in the manner above laid down, shall issue the "Protested Certificate" and forward the necessary statement to the Secretary.

(23) Should a shipper demand remeasurement under Order 22 and should such remeasurement, in the opinion of the Secretary, show the original measurement not to have been substantially correct, the extra fee of annas 2 per package shall be refunded to the shipper on demand and the case reported to the Committee.

(24) Every Measurer shall receive a book of Measurement Slips together with indelible pencil and carbon paper for making such slips in quadruplicate. The Measurer will hand to the shippers at the time of measurement the original and third carbon copy; the first carbon copy will be handed to the ship agents' representative on demand and the second carbon copy will be retained for the Chamber's records.

Provided that when goods are shipped in boats for delivery alongside the said first carbon copy, belonging to the ship's agent, shall be handed to the boatman from whom it should be obtained by the ship's officers.

COAL.

Imports of Coal into Bombay by Sea and Rail.

The following return of the imports of Coal into Bombay by Sea and Rail in the years 1929 to 1935 is printed for the information of members:—

From	1929.	1930.	1931.	1932.	1933.	1934.	1935.
By Sea.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Europe	15,331	14,153	16,822	11,758	2,945	6,145	6,190
Australia	734	1,190	3,190	2,000	2,130	6,852	1,800
Japan	508	400	..	..	335	..	..
Africa	135,790	145,095	10,299	..	3,920	..	7,143
Other Foreign Countries ..	1,657	..	..	..	..	..	..
Calcutta	383,746	240,707	437,309	461,834	419,238	411,572	466,790
Total—By Sea ..	537,766	401,545	467,620	475,592	428,568	424,569	481,923
Total—By Rail ..	52,838	46,731	43,383	26,136	19,526	19,234	19,875
Grand Total ..	590,604	448,276	511,003	501,728	448,094	443,803	501,798

WHEAT.

The total area reported for the season 1934-35 was 34,485,000 acres as against 35,992,000 acres the previous year, or a decrease of 1,507,000 acres or 4 per cent. The total yield of the crop was estimated at 9,724,000 tons as compared with 9,414,000 tons the previous year or an increase of 3,10,000 tons or 3 per cent.

The following figures show the total Acreage and Outturn of Wheat in each official year from 1892-93 to 1934-35:—

Years.	Area (in thousand Acres.)	Outturn (in thousand Tons.)
1892-93	27,759	7,649
1893-94	28,717	7,269
1894-95	28,422	6,999
1895-96	24,071	5,380
1896-97	20,580	5,363
1897-98	24,538	7,208

WHEAT STATISTICS—*contd.*

Years.	Area. (in thousand Acres.)	Outturn. (in thousand Tons.)
1898-99	25,370	6,838
1899-1900	18,688	5,357
1900-01	23,868	7,094
1901-02	23,446	6,091
1902-03	23,433	7,971
1903-04	28,413	9,641
1904-05	28,470	7,582
1905-06	26,296	8,579
1906-07	28,536	8,159
1907-08	22,806	6,104
1908-09	26,068	7,598
1909-10	28,018	9,591
1910-11	30,490	10,041
1911-12	31,141	9,925
1912-13	29,524	9,715
1913-14	28,475	8,358
1914-15	32,475	10,091
1915-16	30,320	8,652
1916-17	32,940	10,234
1917-18	35,487	9,922
1918-19	23,798	7,508
1919-20	29,949	10,122
1920-21	25,783	6,706
1921-22	28,207	9,830
1922-23	30,844	9,982
1923-24	31,181	9,660
1924-25	31,774	8,866
1925-26	30,471	8,696
1926-27	31,303	8,973
1927-28	32,193	7,791
1928-29	31,973	8,591
1929-30	31,654	10,469
1930-31	32,189	9,305
1931-32	33,803	9,024
1932-33	32,970	9,449
1933-34	35,992	9,414
1934-35*	34,485	9,724

* Subject to revision.

Estimate of the Wheat Crop of the Season 1934-35. Share of each Province and State of Area and Yield for 1933-34 and 1934-35. (000's omitted.)

Provinces and States.	Area.			Yield.			Increase or Decrease in the Current Year over.				Yield per Acre.	
							Area.		Yield.			
	Current Year 1934-35	Previous Year 1933-34	Average of preceding 5 Years.	Current Year 1934-35.	Previous Year 1933-34.	Average of preceding 5 Years.	Previous Year 1933-34.	Average of preceding 5 Years.	Previous Year 1933-34.	Average of preceding 5 Years.	1934-35.	1933-34.
	Acres.	Acres.	Acres.	Tons.	Tons.	Tons.	Per cent.	Per cent.	Per cent.	Per cent.	lbs.	lbs.
British Provinces.												
Punjab	9,038	9,773	9,376	3,043	2,794	3,109	— 7·5	— 3·6	+ 8·9	— 2·1	754	646
United Provinces	7,549	8,453	7,464	2,523	2,537	2,760	—10·7	+ 1·1	— 0·6	— 8·6	748	672
Central Provinces and Berar	3,629	3,441	3,246	704	715	620	+ 5·5	+11·8	+ 6·2	+ 23·2	471	465
Bombay (*a*)	2,809	3,147	2,267	562	685	468	—10·7	+23·9	—18·0	+ 20·1	448	487
Bihar and Orissa	1,197	1,222	1,216	505	476	489	— 2·0	— 1·6	+ 6·1	+ 3·3	945	873
North-West Frontier Province	998	1,041	1,006	239	239	236	— 4·1	— 0·8	..	+ 1·3	526	716
Bengal	155	145	136	51	41	35	+ 6·9	+14·0	+24·4	+ 45·7	737	633
Delhi	34	46	42	12	18	11	—26·1	—19·0	—33·3	+ 9·1	790	877
Ajmer-Merwara	30	29	27	9	7	8	+ 3·4	+11·1	+28·6	+ 12·5	672	541
Total British Provinces.	25,439	27,297	24,780	7,708	7,512	7,736	— 6·8	+ 2·7	+ 2·6	— 0·4	678	616
Indian States.												
Punjab States	1,445	1,519	1,340	455	459	411	— 4·9	+ 7·8	— 0·9	+ 10·7	705	677
United Provinces State (Rampur)	122	127	116	31	35	29	— 3·9	+ 5·2	—11·4	+ 6·9	569	617
Central Provinces States	84	100	98	17	20	19	—16·0	—14·3	—15·0	— 10·5	453	448
Bombay States (*b*)	575	597	485	144	159	136	— 3·7	+18·6	— 9·4	+ 5·9	561	597
Central India States	2,319	2,082	1,974	419	407	314	+11·4	+17·5	+ 2·9	+ 33·4	404	438
Gwalior State	1,646	1,507	1,195	394	302	252	+ 9·2	+37·7	+30·5	+ 56·3	536	449
Rajputana States	1,520	1,488	1,257	383	353	319	+ 2·2	+20·9	+ 8·5	+ 20·1	564	531
Hyderabad State	1,250	1,201	1,194	156	149	143	+ 4·8	+ 5·4	+ 4·7	+ 9·1	277	278
Baroda State	74	72	74	17	17	20	+ 2·8	..	..	— 15·0	514	529
Mysore State	2	2	3	(*c*)	1	1	...	—33·3	..	..	..	..
Total Indian States	9,046	8,695	7,736	2,016	1,902	1,644	+ 4·0	+16·9	+ 6·0	+ 22·6	499	489
Grand Total	34,485	35,992	32,516	9,724	9,414	9,380	— 4·2	+ 6·1	+ 3·3	+ 3·7	631	586

(*a*) Including Sind. (*b*) Including Khaospur State. (*c*) About 400 tons.

The fluctuations in the total Exports of Wheat from India to Foreign Countries during the last 54 years are shown below:—

(1881-82 to 1934-35).

Years.	Tons.	Rs.
1881-82 ...	995,050	8,62,00,618
1882-83 ...	709,688	6,08,88,136
1883-84 ...	1,050,070	8,89,58,112
1884-85 ...	792,494	6,31,60,182
1885-86 ...	1,053,446	8,00,53,311
1886-87 ...	1,113,181	8,62,59,850
1887-88 ...	676,908	5,56,23,733
1888-89 ...	880,570	7,52,32,794
1889-90 ...	690,110	5,79,26,147
1890-91 ...	716,024	6,04,24,260
1891-92 ...	1,515,335	14,38,20,022
1892-93 ...	748,672	7,44,03,835
1893-94 ...	607,842	5,19,39,850
1894-95 ...	344,506	2,56,62,468
1895-96 ...	500,208	3,91,43,765
1896-97 ...	95,531	83,64,498
1897-98 ...	119,630	1,34,11,515
1898-99 ...	976,024	9,71,96,877
1899-1900 ...	485,204	3,90,94,963
1900-01 ...	2,501	3,00,832
1901-02 ...	366,090	3,25,59,204
1902-03 ...	514,607	4,51,53,570
1903-04 ...	1,295,565	11,08,89,546
1904-05 ...	2,150,025	17,90,50,692
1905-06 ...	939,523	8,53,43,996
1906-07 ...	80[illegible]445	7,25,44,650
1907-08 ...	880,459	8,58,50,350
1908-09 ...	109,757	1,34,00,777
1909-10 ...	1,050,574	12,70,90,884
1910-11 ...	1,266,150	12,95,82,291
1911-12 ...	1,361,166	13,34,84,580
1912-13 ...	1,660,163	17,69,37,226
1913-14 ...	1,202,205	13,13,33,561
1914-15 ...	706,383	8,32,04,161
1915-16 ...	652,879	8,44,06,594
1916-17 ...	748,913	9,15,34,812
1917-18 ...	1,454,374	19,00,27,665
1918-19 ...	476,103	6,75,30,929
1919-20 ...	8,642	20,36,604
1920-21 ...	237,665	4,10,03,185
1921-22 ...	80,809	1,46,82,887
1922-23 ...	220,194	3,44,02,127
1923-24 ...	636,252	9,11,80,928
1924-25 ...	1,111,691	17,19,49,952
1925-26 ...	211,637	3,60,24,737
1926-27 ...	175,949	2,71,07,422
1927-28 ...	299,733	4,40,57,408
1928-29 ...	114,707	1,69,23,702
1929-30 ...	12,971	21,24,473
1930-31 ...	196,505	1,94,87,643
1931-32 ...	20,215	15,12,460
1932-33 ...	2,194	3,82,265
1933-34 ...	2,060	3,26,964
1934-35 ...	10,962	10,60,578

COTTON 1934-35.

The preliminary Government forecast issued in August 1934 and relating to 77.5 per cent. of the total area indicated an acreage of 12,985,000 acres, as compared with 13,999,000 acres (revised) at the corresponding period in 1933, or a decrease of 7 per cent.

The final estimate issued in a supplementary memorandum at the end of April 1935 for the whole of India was 23,830,000 acres as compared with 24,136,000 acres (revised) for the previous year, or a decrease of 1¼ per cent.

Government estimated the final yield at 4,807,000 bales against 5,068,000 bales (revised) for the season 1933-34. As it generally happens in small crop seasons the Government estimate came very near the actual yield which was 50½ lakhs bales.

The Oomra crop once again met with adverse weather conditions and excessive rainfall reduced the final yield to 15 lakhs bales, which was about 7 lakhs bales below the normal Omra crop. The weather having turned extremely cold in January 1935 about 40 per cent. of the Broach/ Surti and Dhollerah crops was destroyed by frost. This resulted in a considerable shortage of staple cotton in India during the season under review.

The following figures show the movement of Cotton through Bombay during the season 1934-35 :—

	Bales.
Stocks on 1st September 1934 including mill stocks as estimated by the East India Cotton Association, Ltd.	821,766
Arrivals during the year ending 31st August 1935 (actual bales)..	2,413,272
Total	3,235,038

Exports during the year ending 31st August 1935:—

	Bales.
By sea—	
United Kingdom	66,261
Continent	347,612
America	626
China	86,178
Japan	1,085,376
Other foreign countries & Coast ports. .	31,931
	1,617,984
By rail to up-country	235,924
	1,853,908
Bombay Mill Consumption..	885,252
	2,739,160
* Estimated carry over on 31st August 1935	495,878
Total ..	3,235,038

* The East India Cotton Association, Ltd., estimated the stocks on 31st August 1935 at 530,345 bales.

Exports by Sea to Foreign Countries in 1934-35 as compared with 1933-34 were as follows:—

	1934-35. Bales.	1933-34. Bales.	Difference.
United Kingdom ..	66,261	66,598	— ·50 per cent.
Continent	347,612	329,765	+ 5·41 „
Japan	1,085,376	978,368	+10·93 „
China	86,178	157,595	—45·31 „
America	626	—	—

The year opened with April/May Broach at Rs. 225½, December/January Oomra at Rs. 198½, and December/January F. G. Bengals at Rs. 145.—From this period till the movement of the new Indian crop price fluctuations in Bombay were determined chiefly by the prospective supply

of American cotton. In expectation of a bullish American Bureau contract prices were raised to a small extent, April/May Broach touching Rs. 229¾ on the 8th September. The Bureau report being contrary to general expectations and of a bearish nature, April/May Broach declined to Rs. 222½ the same night. The market then began to sag in sympathy with Americans and the downward trend continued until the 10th October when April/May Broach was quoted at Rs. 202¾ and December/January Oomra and Bengals at Rs. 174.— and Rs. 129.— respectively. The smallness of the Oomra crop and its delayed movement now began to take effect and prices registered a steady advance with but few and small reactions. And when the reduced Oomra crop supply had played its part in raising prices, the Broach and Dhollera crops met with disaster owing to severe frost. This meant a further reduction in the size of the already small crop and prices were driven up once again, the highest of the season being recorded on the 24th January when April/May Broach was Rs. 259¾ and December/January Oomra Rs. 239.

The American cotton having been pegged to the 12 cent loan it was generally thought that prices in America could not go below the loan level. This calculation however was upset and the market taken by surprise when on the announcement in America that farmers producing 2 bales of cotton and less will be exempted from the Bankhead Act during the ensuing season, there was a sensational drop of over 1½ cents in American prices about the middle of March. This caused much nervousness among speculators and April/May Broach steadily declined and touched Rs. 217 on 30th March as a result of heavy long liquidation. Thereafter the position was almost invariably dominated by the policy of the United States Administration until, eventually, on the 8th August, the official estimate of the American cotton crop induced a definite bearish feeling which was aggravated by the announcement on the 23rd August of a 9 cent loan and the slight amendment to this announced later did not do much to help matters. The season closed on 31st August with April/May Broach at Rs. 190¼ and December/January Oomras and Bengals at Rs. 170¼ and Rs. 129½ respectively.

The following table gives details of arrivals into Bombay by Sea and Rail during the season with the total of the five previous years. (Actual weight converted into Bales of 3½ cwts. in each, after allowing 2 per cent. for tare in the case of receipts by rail.) Season ending 31st August in each case :—

Varieties.	1934-35.	1933-34.	1932-33.	1931-32.	1930-31.	1929-30.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
Khandesh	254,473	326,265	220,402	121,806	324,040	294,922
Central India	110,745	243,550	208,096	118,798	339,182	411,394
Barsi Nugger	108,816	171,299	134,595	80,711	169,346	262,001
Hyderabad Gaorani	46,802	51,146	55,949	22,434	85,728	93,161
Berar	403,733	502,736	471,173	250,475	593,289	731,747
Central Provinces	96,808	117,698	136,713	75,094	373,926	406,227
Dhollera	196,518	156,431	297,573	250,430	281,614	198,899
North-West Provinces	35,306	9,184	8,246	26,970	93,552	140,445
Rajputana	51,925	61,623	84,484	56,570	53,365	58,599
Sind Punjab	335,372	190,913	107,256	140,672	124,112	153,145
Broach	133,579	252,100	327,831	260,317	303,695	287,060
Compta Dharwars	94,076	92,421	96,406	86,693	98,274	160,648
Westerns Northerns	74,639	65,472	75,428	48,586	49,378	71,241
Cocanada	435	475	115	10	24	103
Tinnevelly and Cambodia	86,593	52,368	61,326	16,851	42,670	46,250
Persians	2,686	2,829	8,063	2,951	1,438	704
Americans	75,235	26,622	75,196	280,808	140,296	15,889
Egyptians	134,623	49,971	32,745	121,032	148,947	12,387
Africans, East	258,070	143,304	133,448	133,162	179,473	134,533
Comilla, Burmah and other Sorts ..	1,155	28	188	† 322	* 702	858
Total ..	2,501,584	2,516,435	2,535,233	2,094,692	3,403,951	3,480,214

* Including 178 Bales of Russian Cotton. † Including 111 Bales of Russian Cotton.

The following table gives the Actual Clearances of Cotton from Bombay to different Countries during the years ending 31st August from 1928-29 to 1934-35 :—

To	1934-35.	1933-34.	1932-33.	1931-32.	1930-31.	1929-30.	1928-29.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.
United Kingdom	66,261	66,598	66,812	25,053	82,741	87,255	68,430
France	51,864	64,600	101,935	21,202	120,833	183,175	167,013
Belgium	68,611	73,430	91,075	32,957	91,598	205,175	260,037
Holland	8,781	13,318	10,200	5,641	16,268	27,958	19,477
Sweden	84	61	140	....	330	1,155	605
Denmark	220	110	....	27	220	382	75
Germany	47,727	35,117	37,280	20,092	101,380	167,324	128,507
Poland	5,107	7,237	1,925	....	....	....	....
Portugal	165	110	....	45	85	625	218
Spain	33,848	29,665	23,207	15,355	35,667	66,576	38,987
Italy	111,228	88,758	86,123	30,237	143,222	205,339	222,296
Fiume	....	1,100	896	782	1,928	444	56
United Kingdom, Belgium-Holland or Germany (for orders).	4,915	1,581	2,180	1,600	....	....	....
Greece	13,793	14,936	4,707	50	2,130	919	240
United States of America ..	626	....	....	25	2,392	37,189	40,806
Chili	....	....	....	....	170	110	....
China	86,178	157,595	135,415	209,936	469,023	467,351	340,157
Japan	1,085,376	978,368	1,064,636	552,508	1,434,134	1,179,964	1,455,567
Other Foreign Countries ..	4,686	844	2,498	3,180	1,577	1,382	3,909
Indian Ports—Calcutta, etc. ..	28,514	22,448	27,357	35,135	25,809	24,202	16,575
Total ..	1,617,984	1,555,276	1,656,336	953,825	2,529,507	2,656,525	2,762,955

Comparative statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports during the years 1935 *and* 1934.

To	1935. Six months ending 30th June.	1935. Six months ending 31st Dec.	1935. Total for 12 months.	1934. Six months ending 30th June.	1934. Six months ending 31st Dec.	1934. Total for 12 months.	Increase or Decrease.	Per-centage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
London	11	50	61	....	....	....	+ 61	....
Liverpool	21,950	6,635	28,585	17,561	11,316	28,877	— 292	1.01
Liverpool or Manchester	....	61	61	375	....	375	— 314	83·73
Manchester	26,543	12,301	38,844	25,444	7,267	32,721	+ 6,123	18·71
Glasgow	....	129	129	20	....	20	+ 109	....
Marseilles	2,081	3,411	5,492	1,327	1,222	2,549	+ 2,943	115.45
Havre	6,102	6,543	12,645	4,236	3,779	8,015	+ 4,630	57·76
Dunkirk	31,299	3,832	35,131	31,783	8,339	40,122	— 4,991	12.43
Bordeaux	110	....	110	....	60	60	+ 50	83.33
Ghent	18,257	10,377	28,634	18,250	12,276	30,526	— 1,892	6·19
Antwerp	28,365	13,457	41,822	22,071	13,322	35,393	+ 6,429	18·16
Antwerp for Orders..	....	250	250	....	....	....	+ 250	....
Antwerp or Ghent ..	....	305	305	....	....	....	+ 305	....
Antwerp, Hamburg, Bremen, Dunkirk or Rotterdam ..	4,147	4,520	8,667	811	1,319	2,130	+ 6,537	306·90
Rotterdam	5,468	1,836	7,304	7,886	3,643	11,529	— 4,225	36.64
Gothenburg	....	6	6	....	6	6	....	....
Gefle	....	....	....	6	....	6	— 6	....
Norkopping	50	....	50	....	28	28	+ 22	78·57
Vejle..	220	....	220	110	....	110	+ 110	100·00
Stockholm	....	....	....	....	55	55	— 55	....
Hamburg	22,920	23,594	46,514	13,193	7,670	20,863	+ 25,651	122·94
Bremen	10,946	3,669	14,315	6,988	1,013	8,001	+ 6,314	78·91
Abo	63	....	63	....	....	....	+ 63	....
Memel (Klaipeda) ..	52	....	52	50	29	79	— 27	34·17
Riga	....	....	....	8	118	126	— 126	....

Comparative statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports —contd.

To	1935			1934.			Increase or Decrease.	Per-centage.
	Six months ending 30th June.	Six months ending 31st Dec.	Total for 12 months.	Six months ending 30th June.	Six months ending 31st Dec.	Total for 12 months.		
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
Gdynia	2,952	1,945	4,897	3,025	2,432	5,457	— 560	10·26
Pasages	1,015	1,345	2,360	825	1,480	2,305	+ 55	2·38
Alicante	....	1,300	1,300	.....	600	600	+ 700	116·66
Barcelona	14,210	12,475	26,685	12,972	14,987	27,959	— 1,274	4·55
Tarragona	....	100	100	200	50	250	— 150	60·00
Castellon de la Planna	....	....	....	25	....	25	— 25	....
Oporto	55	....	55	....	....	....	+ 55	....
Lisbon	....	335	335	110	110	220	+ 115	52·27
Fiume	660	941	1,601	550	605	1,155	+ 446	38·61
Leghorn	110	....	110	275	55	330	— 220	66·66
Trieste	14,725	10,279	25,004	11,434	12,771	24,205	+ 799	3·30
Genoa	20,111	9,800	29,911	16,979	24,776	41,755	— 11,844	28·36
Venice	15,299	5,049	20,348	10,405	15,889	26,294	— 5,946	22·61
Venice for orders ..	.....	....	....	....	200	200	— 200	....
Venice, Trieste or Fiume	110	....	110	....	....	....	+ 110	....
Venic or Trieste ..	....	660	660	....	....	....	+ 660	....
Naples	1,534	3,190	4,724	1,120	5,180	6,300	— 1,576	25·01
Mestre	500	55	555	1,145	1,250	2,395	— 1,840	76·82
Susak	....	55	55	....	....	....	+ 55	....
Constanza	....	....	....	....	340	340	— 340	....
Varna	185	55	240	....	55	55	+ 185	....
Bourgas	351	470	821	....	165	165	+ 656	....
Salonica	2,540	1,894	4,434	1,904	2,374	4,278	+ 156	3·64
Mytilene	....	....	....	....	100	100	— 100	....
Piraeus	2,743	2,906	5,649	3,703	4,941	8,644	— 2,995	34·64

Comparative statement showing the Actual Clearances of Cotton from Bombay by Sea to different Ports—concld.

To	1935 Six months ending 30th June	1935 Six months ending 31st Dec.	1935 Total for 12 months.	1934 Six months ending 30th June.	1934 Six months ending 31st Dec.	1934 Total for 12 months..	Increase or Decrease.	Per-centage.
	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	Bales.	
Chalkis	65	....	65	85	....	85	— 20	23·52
Syra	100	....	100	50	395	445	— 345	77·52
New York	1	....	1	....	10	10	— 9	90·00
Boston	....	73	73	....	15	15	+ 58	....
Savannah	125	....	125	....	125	125	....	....
Seattle	....	....	....	....	50	50	— 50	....
San Francisco ..	....	....	....	....	50	50	— 50	....
Los Angeles	....	200	200	....	250	250	— 50	20·00
Los Angeles, Portland, Seattle or San Francisco	....	275	275	....	....	....	+ 275	....
Australian Ports ..	55	200	255	....	410	410	— 155	37·80
Japanese Ports ..	759,425	363,301	1,122,726	741,441	474,008	1,215,449	— 92,723	7·62
Chinese Ports ..	62,112	13,100	75,212	62,574	33,330	95,904	— 20,692	21·57
Indo-China-Haiphong	....	1,113	1,113	2,725	....	2,725	— 1,612	59 15
Singapore	....	....	....	....	53	53	— 53	....
Colombo	1,375	1,229	2,604	....	1,251	1,251	+ 1,353	108·15
Jaffa	296	262	558	25	....	25	+ 533	....
Haiffa	....	....	....	25	....	25	— 25	....
Durban	....	....	....	1	....	1	— 1	....
Mauritius	2	20	22	....	2	2	+ 20	....
Yembo	8	....	8	....	....	....	+ 8	....
Jeddah	....	....	....	1	....	1	— 1	....
Port Said	....	....	....	50	50	100	— 100	....
Calcutta and Coast Ports	19,065	12,272	31,337	11,316	10,404	21,720	+ 9,617	44·27
Total ..	1,098,013	535,875	1,633,888	1,033,094	680,225	1,713,319	Net Decrease 79,431 Bales	or 4·63 per cent.

COTTON.

Receipts at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay.

In thousands of Bales (000's omitted).

Year ending 30th June.	Receipts.	Exports to			Mill Consumption.	Total.	Year ending 30th June.	Receipts.	Exports to			Mill Consumption.	Total.
		Europe.	Elsewhere.	Total.					Europe.	Elsewhere.	Total.		
1864 ..	..	867	3	870	American War. In '63 and 64 Bombay imported Cotton from China.		1888 ..	1,472	893	58	951	500	1,451
							1889 ..	1,851	1,286	46	1,332	565	1,897
							1890 ..	2,235	1,488	71	1,559	636	2,195
							1891 ..	2,020	1,070	107	1,177	762	1,939
1865 ..	..	1,065	1	1,066			1892 ..	1,770	905	202	1,107	728	1,835
1866 ..	..	1,187	14	1,201	42	1,243	1893 ..	1,738	816	169	985	724	1,709
1867 ..	..	1,277	5	1,282	46	1,328	1894 ..	1,769	908	159	1,067	731	1,798
1868 ..	..	1,030	48	1,078	47	1,125	1895 ..	1,540	525	143	668	815	1,483
1869 ..	..	1,225	56	1,281	48	1,329	1896 ..	2,151	800	346	1,146	849	1,995
1870 ..	..	1,115	50	1,165	49	1,214	1897 ..	1,612	603	405	1,008	703	1,711
1871 ..	..	967	39	1,006	50	1,056	1898 ..	1,730	424	409	833	817	1,650
1872 ..	1,085	1,002	48	1,050	52	1,102	1899 ..	2,033	578	520	1,098	951	2,049
1873 ..	1,151	1,079	34	1,113	53	1,166	1900 ..	988	117	444	561	745	1,306
1874 ..	978	917	34	951	67	1,018	1901 ..	1,896	620	340	960	696	1,656
1875 ..	1,311	1,192	25	1,217	83	1,300	1902 ..	2,142	525	732	1,257	987	2,244
1876 ..	1,345	1,285	20	1,305	135	1,440	1903 ..	2,454	921	349	1,270	986	2,256
1877 ..	1,073	880	35	1,015	147	1,162	1904 ..	2,151	1,036	423	1,459	973	2,432
1878 ..	1,141	920	38	958	161	1,119	1905 ..	2,609	384	664	1,048	1,072	2,120
1879 ..	961	800	46	846	204	1,050	1906 ..	2,663	1,017	477	1,494	1,141	2,635
1880 ..	832	652	64	716	181	897	1907 ..	2,949	1,169	747	1916	1,115	3,031
1881 ..	1,171	874	34	908	220	1,128	1908 ..	2,123	731	454	1,185	1,079	2,264
1882 ..	1,832	1,521	87	1,608	277	1,885	1909 ..	2,166	643	723	1,366	1,099	2,465
1883 ..	1,770	1,335	95	1,430	313	1,743	1910 ..	3,152	1,054	968	2,022	984	3,006
1884 ..	1,759	1,295	100	1,395	348	1743	1911 ..	2,467	1,014	668	1,682	953	2,635
1885 ..	1,139	791	70	861	392	1,253	1912 ..	2,540	383	923	1,306	1,078	2,384
1886 ..	1,480	1,009	61	1,070	391	1,461							
1887 ..	1,703	1,147	40	1,187	454	1,641							

COTTON.

Receipts at, and Exports from, Bombay Port, also Mill Consumption in the Island of Bombay.

In thousands of Bales (000's omitted).

Year ending 31st August.	Receipts.		Total Receipts.	Exports.			Total Exports.	Mill Consumption.	Total.
	India.	Foreign Countries.		Europe.	China and Japan.	Elsewhere.			
1913	2,733	46	2,779	534	1,023	30	1,587	* 1,072	2,659
1914	3,723	6	3,739	1,301	1,245	24	2,570	1,078	3,648
1915	2,683	5	2,688	405	1,441	15	1,861	1,026	2,887
1916	3,133	6	3,139	294	1,691	8	1,993	1,096	3,089
1917	3,103	17	3,120	302	1,321	7	1,630	1,131	2,765
1918	2,279	27	2,306	293	1,213	7	1,513	1,068	2,581
1919	2,525	18	2,543	195	885	11	1,091	1,000	2,091
1920	3,405	22	3,427	629	1,579	24	2,232	957	3,189
1921	2,786	116	2,902	494	1,381	26	1,901	1,061	2,962
1922	3,383	109	3,492	645	1,896	52	2,593	1,074	3,667
1923	3,611	61	3,672	851	2,086	53	2,990	1,060	4,050
1924	3,227	93	3,320	1,104	1,558	53	2,715	821	3,536
1925	3,573	95	3,668	713	2,021	33	2,767	995	3,762
1926	3,208	127	3,335	552	1,874	26	2,452	778	3,230
1927	2,692	474	3,166	419	1,539	27	1,985	995	2,980
1928	3,235	189	3,424	798	1,391	34	2,223	569	2,792
1929	3,233	123	3,356	906	1,796	61	2,763	631	3,394
1930	3,317	163	3,480	946	1,647	63	2,656	877	3,533
1931	2,933	470	3,403	599	1,903	27	2,529	839	3,368
1932	1,557	538	2,095	153	763	38	954	921	1,875
1933	2,286	250	2,536	427	1,200	30	1,657	798	2,455
1934	2,294	223	2,517	396	1,136	23	1,555	907	2,462
1935	2,030	472	2,502	413	1,171	34	1,618	885	2,503

N.B.—As noted in the Chamber's Report for 1913 the figures shown above represent the volume of trade in cotton from 1st September to 31st August instead of for the year ending 30th June as was previously the case.

* Year ending 30th June.

RAINFALL AT BOMBAY, 1843 to 1935.

The following statement showing the Rainfall registered at the Colaba Observatory, Bombay, for each month during the years 1843-1935, is published for the information of members :—

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1843	..	..	..	..	0·15	7·61	20·02	17·70	8·39	0·77	..	..	55·24
1844	0·06	0·33	..	..	..	18·58	29·28	5·91	8·05	0·40	..	0·10	62·71
1845	..	..	..	..	..	17·88	18·07	9·54	8·03	..	..	..	54·12
1846	..	..	..	..	..	26·41	33·19	6·65	6·65	1·03	..	..	73·93
1847	0·09	0·02	..	0·31	1·40	37·56	16·46	8·68	5·68	0·28	5·53	..	76·01
1848	..	..	..	0·59	5·67	39·98	13·90	7·37	2·32	5·84	0·19	..	75·86
1849	0·34	..	..	..	..	23·41	50·99	12·66	26·13	0·75	0·61	..	114·89
1850	..	..	..	..	..	14·80	20·15	5·39	4·77	4·89	0·25	..	50·25
1851	..	..	..	..	0·52	24·50	47·02	20·03	3·89	0·09	0·07	..	96·07
1852	..	..	0·01	..	0·30	21·76	22·17	11·16	12·67	0·19	..	1·01	69·27
1853	..	0·05	0·02	..	..	33·70	13·05	5·95	9·83	..	..	..	62·66
1854	..	..	..	..	..	16·34	38·95	3·90	13·61	7·49	1·85	..	82·14
1855	..	..	..	..	..	29·18	11·83	3·82	5·29	9·06	..	..	50·18
1856	..	..	..	..	2·09	24·66	24·48	6·73	7·78	0·06	..	0·12	65·92
1857	..	..	..	..	0·57	9·26	8·74	15·71	4·21	2·78	..	..	51·27
1858	..	..	..	0·15	1·57	14·44	20·12	7·48	15·47	3·22	..	..	62·45
1859	..	..	..	..	..	26·87	28·70	14·59	5·94	1·06	..	..	77·16
1860	..	..	..	..	0·03	21·97	22·39	7·11	8·15	2·50	..	..	62·15
1861	..	..	..	..	0·69	15·43	25·34	30·35	3·24	1·86	..	..	76·91
1862	..	..	..	..	0·01	22·31	15·10	12·65	21·69	1·42	0·45	..	73·63
1863	0·41	..	..	0·11	0·07	20·41	30·78	10·60	9·98	2·32	..	..	77·69
1864	..	..	..	..	0·01	15·42	13·36	10·72	5·59	..	0·47	..	45·57
1865	0·38	..	..	..	..	10·61	18·28	36 42	4·86	6·16	1·14	..	77·85
1866	..	0·11	..	..	..	13·47	40·34	20·34	3·44	0·74	..	..	78·44
1867	..	..	..	..	..	8·70	39·39	12·21	6·80	5·07	0·13	..	72·30
1868	..	..	0·01	..	..	13·52	20·43	20·29	7·71	0·14	0·02	..	62·12
1869	..	..	..	..	0·03	26·22	23·89	15·24	22·56	3·55	0·05	0·12	91·66
1870	..	..	0·03	0·02	..	21·73	26·43	6·27	7·08	4·65	..	..	66·21
1871	2·22	..	..	..	1·25	8·91	9·99	8·95	6·01	0·25	2·97	0·06	40·58
1872	..	..	..	..	0·00	24·43	24·84	9·49	16·59	1·07	..	..	76·48
1873	..	0·05	..	..	0·51	20·36	16·98	23·96	7·77	0·07	..	..	69·70
1874	..	..	..	..	0·05	18·68	41·24	11·74	11·05	0·02	..	..	82·18
1875	0·47	..	..	..	..	24·36	15·39	12·23	31·76	..	0·35	..	84·56
1876	..	..	..	..	0·01	12·97	23·69	8·66	4·08	..	..	..	50·01
1877	0·22	0·52	..	..	..	35·58	11·10	8·51	8·39	8·33	..	..	73·15
1878	0·03	..	..	0·02	0·02	19·99	48·33	20·46	16·42	4·89	2·61	..	112·77
1879	..	..	0·03	..	5·23	16·56	11·29	22·36	5·61	0·40	..	..	61·40
1880	..	0·01	0·02	..	..	21·48	18·37	4·08	22·80	1·18	..	..	67·94
1881	..	..	0·04	..	0·36	15·29	29·47	19·09	4·56	4·17	0·09	..	73·04
1882	..	0·04	0·02	0·08	0·02	27·54	26·94	3·36	10·08	1·12	0·03	..	69·23
1883	0·12	..	..	..	0·33	13·65	39·88	12·57	12·37	10·40	0·86	..	90·18
1884	0·03	..	..	..	..	13·25	25·87	15·29	17·04	2·22	0·60	1·14	75·44
1885	..	..	..	..	0·02	5·11	21·81	25·42	12·01	3·54	..	..	67·01
1886	..	..	..	0·01	0·96	43·45	35·79	10·69	6·54	1·69	0·61	..	99·74
1887	..	..	..	0·02	0·09	24·07	30·98	17·59	18·23	2·79	1·02	0·16	94·05
1888	1·85	0·02	0·10	..	..	15·76	22·47	11·43	4·98	0·11	1·16	..	57·89
1889	..	..	..	..	0·67	19·89	30·45	10·32	2·71	3·80	..	..	67·84
1890	..	..	..	0·01	0·06	24·55	21·54	10·61	6·45	0·58	1·25	1·13	66·18
1891	..	..	0·22	..	..	13·99	32·48	6·94	22·53	1·04	..	..	77·20
1892	..	..	..	..	0·14	13·30	23·86	36·56	18·73	1·89	0·67	..	95·12
1893	..	0·14	..	0·02	6·30	21·47	16·14	13·55	7·54	0·45	1·63	..	67·24
1894	0·22	..	0·06	0·01	..	16·87	26·16	8·40	12·04	3·08	..	0·01	66·85
1895	..	0·07	..	..	0·08	17·84	18·04	15·97	11·91	3·62	0·06	..	67·50
1896	..	..	..	..	0·26	28·02	36·44	20·77	1·62	0·01	0·53	..	87·65
1897	0·01	..	..	..	..	14·40	30·19	13·82	20·60	2·51	0·22	..	81·75
1898	..	0·17	..	..	0·16	27·21	20·72	5·28	19·94	0·48	0·13	..	74·09
1899	..	..	..	1·57	0·08	20·81	4·72	5·23	3·49	..	..	..	35·90
1900	..	..	..	..	..	18·26	25·75	17·62	7·49	..	..	..	69·12
1901	0·74	..	..	0·04	0·01	25·36	32·70	14·27	1·81	0·30	..	..	75·37

Year.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Annual Total.
1902	..	..	..	..	..	9·77	16·96	16 53	27·11	0·78	0·01	0·81	71·99
1903	..	..	..	0·17	..	7·79	19·75	24·82	18·23	7·82	5·91	..	..	84·42
1904	..	..	..	0·07	..	0·02	15·10	10·14	5·72	1·81	0·56	..	..	33·42
1905	..	..	0·08	..	..	..	6·53	15·30	4·35	6·16	0·20	1·04	..	33·56
1906	..	..	0·15	..	..	..	12·91	18·34	20·92	3·98	..	..	..	56·30
1907	..	..	0·27	..	0·06	..	22·48	59·05	15·99	2·26	0·67	..	..	100·73
1908	..	0·09	0·07	0·06	..	..	12·39	23·65	9·87	6·79	0·62	..	..	53·54
1909	..	..	..	..	..	..	16·60	30·05	8·52	16·05	..	..	..	71·22
1910	..	..	..	..	..	0·03	23·50	6·50	18·15	15·25	4·29	0·14	..	67·86
1911	..	0·06	..	..	..	0·04	10·85	15·24	17·09	2·96	..	0·27	..	46·51
1912	..	..	..	..	..	0·43	10·79	25·40	9·90	3·26	0·65	3·62	..	54·05
1913	..	..	0·07	..	..	..	25·81	33·33	3·72	5·75	2·35	..	..	71·03
1914	..	..	0·08	..	0·07	..	16·65	30·13	13·27	21·06	0·01	0·18	..	81·45
1915	..	..	0·30	0·69	0·06	0·36	39·78	14·62	8·45	10·78	2·55	0·02	..	77·67
1916	..	..	..	..	0·04	0·07	23·43	22·78	19·51	14·59	4·79	0·72	..	85·93
1917	..	..	1·68	..	..	0·88	14·96	13·26	32·18	16·92	19·96	..	..	99·84
1918	..	..	..	1·46	..	11·00	10·82	4·25	4·81	3·11	..	0·09	..	35·54
1919	..	0·11	..	..	..	..	16·31	31·30	10·85	8·03	1·54	0·18	..	68·32
1920	..	0·99	0·33	..	..	..	8·16	22·00	5·18	4·05	0·34	..	..	41·05
1921	..	..	..	..	..	..	26·74	35·68	10·36	13·02	0·22	..	..	86·02
1922	..	..	..	..	..	..	26·48	31·15	5·08	6·95	0·61	..	0·14	70·41
1923	..	..	0·05	..	0·02	..	7·19	43·26	8·72	18·32	..	..	..	77·56
1924	..	..	..	..	..	..	7·46	16·73	15·43	12·13	0·06	0·38	..	52·19
1925	..	..	..	..	..	2·76	27·86	8·38	7·71	3·52	0·22	0·37	..	50·82
1926	..	2·99	..	..	..	0.10	6.19	30.88	22.21	8.98	1.29	..	..	72.64
1927	..	..	0.04	0.03	..	..	32·52	16.85	6·74	5.33	7·30	5·48	0·09	74·38
1928	..	..	0·01	..	..	..	27·71	30·93	16.65	9·91	0·43	0·09	..	85·72
1929	..	0·63	..	0·02	0·04	..	25·45	16·08	6·06	5·58	4·82	0·22	0·86	59·76
1930	..	..	..	..	..	0·02	26·71	10·26	6·64	43·85	52·50	..	..	89·98
1931	..	..	..	..	0·01	..	6·08	47·50	23·71	4·48	13·07	2·40	0·69	97·94
1932	..	..	..	..	..	..	10·68	35·30	6·96	11·13	9·01	0·01	..	73·03
1933	..	..	..	..	..	2·85	10·29	14·13	18·81	12·31	3·04	0·01	0·93	62·37
1934	..	..	..	..	..	..	28·5	21·4	14·0	5·9	0·2	3·8	..	73·81
1935	..	..	..	..	..	..	27·9	24·10	16·69	11·90	1·04	0·18	..	81·60

RAINFALL OF THE YEAR 1935.

The following table is compiled from the Reports issued by the Meteorological Department in order to present, in a condensed form, a definite record of the weather during the South-West Monsoon months of the past year and also during the whole year:—

DIVISION.	STATION.	From 1st June 1935 to 31st Oct. 1935.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1935	Annual normal.
Bay Islands..	Port Blair	75·4	— 3·0	124·1	116
Lower Burma.	Victoria Point	127·3	— 0·4	164·1	166
	Mergui	138·2	+ 0·6	177·8	161
	Tavoy	218·8	+29·3	261·0	215
	Amherst	172·7	..	211·1	213
	Rangoon	81·3	— 0·2	106·4	99
	Bassein	81·7	—12·3	91·2	109
	Diamond Island	125·1	+25·5	143·5	118
	Gwa	167·1	+12·2	227·2	172
	Toungoo	78·7	+ 8·3	92·3	83
	Kyaukpyu	171·8	+ 9·0	177·7	188
	Akyab	157·3	—23·1	162·4	203
Upper Burma.	Minbu	27·2	— 1·0	34·3	35
	Yamethin	24·5	— 3·2	35·5	38
	Mandalay	19·8	— 4·0	33·0	33
	Monywa	36·4	+13·5	38·7	31
	Bhamo	75·5	+15·3	81.4	72
	Myitkyina	80·5	+13·3	84·0	79

DIVISION.	STATION.	From 1st June 1935 to 31st Oct. 1935.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1935.	Annual normal.
ASSAM	Dibrugarh	89·1	+11·9	113·2	108
	Sibsagar	80·2	+15·9	104·8	96
	Tezpur	52·0	— 1·2	70·8	74
	Gauhati	32·9	—12·7	45·6	65
	Dhubri	75·2	+ 1·7	101·9	97
	Silchar	102·4	+20·3	113·0	125
BENGAL	Cox's Bazar	102·3	—15·7	107·8	141
	Chittagong	73·4	— 7·9	91·2	103
	Narayanganj	62·6	+ 9·2	72·8	74
	Barisal	56·2	—6·8	62·2	82
	Jessore	38·4	—10·9	48·5	66
	Calcutta	30·0	—21·2	36·0	63
	Saugor Island	49·0	—10·2	54·5	69
	Burdwan	29·9	—16·2	36·6	59
	Berhampore	32·2	—15·0	37·8	57
	Mymensingh	58·5	—11·9	73·5	93
	Bogra	41·2	—15·8	43·2	71
	Dinajpur	76·7	+17·6	87·8	71
	Jalpaiguri	114·9	+10·1	129·9	122
ORISSA	Balasore	38·1	—12·0	44·9	63
	Chandbali	49·5	..	55·8	61
	Cuttack	43·4	— 6·8	46·6	59
	Sambalpur	58·9	— 1·9	61·1	66
	Sointilla	..	..	..	..
CHOTA NAGPUR	Chaibasa	36·0	— 7·3	39·3	52
	Ranchi	34·7	—14·9	38·5	57
	Hazaribagh	48.4	+ 1·4	62·6	53
	Daltongani	51·1	+10·8	54·1	45
BEHAR	Purnea	51·7	— 3·1	53·9	62
	Darbhanga	50·7	+ 5·7	53·0	50
	Patna	34·2	—10·3	36·4	49
	Gaya	42·8	— 0·8	44·5	47
	Naya Dumka	55·7	+ 5·8	58·1	57
UNITED PROVINCES, EAST.	Gorakhpur	49·3	+ 3·0	50·1	50
	Benares	32·3	— 5·3	34·7	41
	Allahabad	39·5	+ 3·1	41·4	39
	Cawnpore	20·1	—13·2	24·0	36
	Lucknow	19·6	—16·5	22·1	39
	Bahraich	29·2	—11·2	34·3	45
UNITED PROVINCES, WEST.	Jhansi	39·6	+ 5·7	41·6	36
	Agra	21·7	— 2·7	23·8	27
	Mainpuri	25·9	+ 1·9	28·8	27
	Bareilly	32·6	— 6·9	37·4	44
	Meerut	26·5	— 1·0	32·5	32
	Roorkee	14·7	—21·2	20·0	42
	Dehra Dun	66·1	— 7·8	75·3	83
PUNJAB, EAST AND NORTH.	Delhi	24·0	+ 0·9	27·7	27
	Hissar	16·5	+ 1·7	20·5	..
	Ambala	22·9	— 1·3	36·1	31
	Ludhiana	19·5	— 2·9	26·4	26
	Lahore	5·7	— 9·3	16·5	20
	Sialkot	26·9	+ 2·9	35·8	31
	Rawalpindi	25·7	+ 2·6	29·5	35
PUNJAB, SOUTH-WEST.	Khushab	7·9	— 1·8	13·3	15
	Lyallpur	6·1	— 5·2	14·0	13
	Montgomery	6·0	— 2·0	9·1	11
	Multan	0·9	— 4·2	4·5	7
	Bahawalpur	1·5	— 2·3	3·9	6
	Khanpur	5·6	+ 0·8	8·8	7

DIVISION.	STATION.	From 1st June 1935 to 31st Oct. 1935.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1935.	Annual normal.
KASHMIR	Srinagar	9·5	+ 0·7	29·9	26
	Gulmarg	..	..	..	..
	Sonamarg	17·3	+ 1·7	81·5	71
	Drās	4·6	+ 1·2	35·3	21
	Leh	1·3	— 0·3	11·3	3
	Skardu	0·7	— 1·3	5·1	7
	Gilgit	2·5	+ 0·5	4·1	5
N. W. FRONTIER PROV.	Peshawar	6·3	+ 1·5	18·7	13
	Miranshah	2·6	..	13·2	..
	Dera I. Khan	7·7	+ 2·2	10·8	9
	Fort Sandeman	3·4	— 2·2	12·3	11
	Harnai	2·4	— 5·3	10·8	14
	Quetta	0	— 0·2	..	..
BALUCHISTAN.	Chaman	0	— 1·3	8·2	7
	Kalat	0	— 0·3	8·7	..
	Dalbandin	0	..	4·0	4
	Nokkundi	0	..	2·5	..
	Panjgur	0	— 1·1	5·3	5
	Pasni	..	..	10·1	7
	Jacobabad	2·4	0	5·2	4
	Chhor	3·5	..	..	4
SIND	Hyderabad	2·6	— 3·4	3·0	7
	Karachi	0·5	— 5·4	3·5	8
	Badin	6·6	..	7·1	9
RAJPUTANA, WEST	Bikaner	11·5	+ 1·7	13·5	12
	Jodhpur	9·6	— 2·8	10·9	14
	Barmer	9·9	..	11·7	10
	Jaipur	24·3	+ 2·8	27·9	24
RAJPUTANA EAST.	Ajmer	24·7	+ 6·1	26·6	21
	Kotah	38·3	+12·1	40·1	28
	Jhalrapatan	43·4	..	44·1	36
	Udaipur	19·7	— 2·3	21·3	24
GUJARAT	Deesa	16·3	— 5·5	19·1	25
	Bhuj	11·6	— 2·1	12·3	14
	Dwarka	24·2	+11·4	25·1	13
	Rajkot	31·5	+ 6·1	32·1	26
	Veraval	29·6	+11·5	29·7	19
	Surat	41·0	+ 0·7	41·0	41
	Bhavnagar	16·9	— 3·3	17·1	21
	Ahmedabad	22·5	— 5·5	23·0	29
	Dohad	21·3	..	21·4	29
	Tankhala	38·7	..	38·8	..
	Baroda	33·6	..	34·0	..
CENTRAL INDIA, WEST.	Guna	47·6	..	48·6	..
	Neemuch	28·6	+ 1·1	29·3	29
	Indore	35·7	+ 4·4	37·1	33
	Bhopal	35·4	..	38·8	44
CENTRAL INDIA, EAST.	Nowgong	35·2	— 4·8	37·6	42
	Sutna	39·3	— 2·0	43·0	45
BERAR	Akola	37·4	+ 8·7	37·9	31
	Amraoti	34·5	+ 4·5	36·4	33
CENTRAL PROVINCES, WEST.	Khandwa	31·3	+ 3·5	32·0	30
	Hoshangabad	56·3	+10·3	57·4	49
	Saugor	54·4	+12·4	58·2	44
	Jubbulpore	55·1	+ 3·8	58·5	55
	Seoni	40·3	— 8·4	42·2	53
	Nagpur	43.1	— 1·7	44·9	49
	Pendra	47·8	+ 4·0	51·2	50
CENTRAL PROVINCES, EAST.	Raipur	42·7	— 4·0	46·1	51
	Kanker	46·6	..	47·8	51
	Chanda	44·5	— 3·2	47·3	51
	Jagdalpur	43·7	—12·8	45·7	64
KONKAN	Bombay	81·4	+12·4	81·6	71
	Matheran	..	..	..	..
	Ratnagiri	99·2	+ 1·9	99·3	100
	Marmagoa	71·9	..	72·0	..
	Karwar	95·2	—18·9	99.5	116

DIVISION.	STATION.	From 1st June to 31st Oct. 1935.	Departure from normal during period.	From 1st Jan. to 31st Dec. 1935.	Annual normal.
BOMBAY DECCAN.	Malegaon	20·3	+ 0·1	20·5	22
	Ahmednagar	24·4	+ 4·9	24·4	22
	Khandala	162·4	..	166·4	..
	Poona	23·2	— 0·8	23·3	27
	Sholapur	28·1	+ 3·6	29·3	29
	Miraj	18·1	..	21·2	25
	Bijapur	21·4	+ 4·3	22·8	21
	Belgaum	33·1	—10·4	35·2	50
	Gadag	17·8	..	21·8	25
HYDERABAD, NORTH.	Aurangabad	32·7	+ 7·8	32·8	27
	Parbhani	33·4	+ 4·4	34·5	33
	Nizamabad	27·7	— 9·1	32·3	40
HYDERABAD, SOUTH.	Gulbarga	31·9	+ 4·8	34·5	31
	Raichur	29·5	+ 4·9	30·8	26
	Hyderabad	25·5	— 2·1	28·9	32
	Hanamkonda	30·6	+ 0·3	33·2	33
MYSORE	Chitaldrug	23·1	+ 5·4	25·8	25
	Bangalore	38·9	+13·6	43·4	35
	Mysore	29·2	+ 8·9	29·6	31
MALABAR	Mangalore	121·0	+ 6·7	122·8	126
	Calicut	97·0	— 0·8	102·8	117
	Cochin	72·6	—13·8	83·3	114
	Trivandrum	36·6	— 3·0	59·6	65
MADRAS, SOUTH-EAST	Palamcottah	13·7	+ 4·1	30·1	28
	Pamban	10·3	— 1·4	37·8	37
	Madura	17·9	— 2·5	26·2	33
	Negapatam	18·2	— 2·8	73·5	55
	Trichinopoly	18·6	+ 0·1	38·0	33
	Coimbatore	8·5	— 3·7	15·2	22
	Salem	25·3	— 1·7	31·0	39
	Cuddalore	23·3	— 3·4	46·5	52
	Vellore	32·5	+ 4·9	40·8	42
	Madras	31·0	+ 3·8	40·3	51
MADRAS DECCAN.	Cuddapah	32·1	+ 8·1	33·0	31
	Bellary	19·1	+ 4·1	20·0	21
	Kurnool	25·0	+ 2·6	26·1	26
	Anantapur	18·7	..	21·0	25
	Nellore	21·7	+ 1·3	24·9	38
MADRAS COAST, NORTH.	Masulipatam	30·5	— 1·7	32·7	42
	Cocanada	22·5	— 7·2	24·9	39
	Vizagapatam	16·9	—11·4	18·6	37
	Cailngapatam	28·2	— 6·2	29·3	42
	Gopalpur	41·0	+ 5·1	42·7	45
HILL STATIONS, EXCLUDING KASHMIR & BALUCHISTAN.	Maymyo	40·8	— 1·4	67·5	58
	Lashio	47·9	— 0·2	57·8	62
	Shillong	58·2	— 4·5	72·7	84
	Cherrapunji	389·6	+56·1	464·7	424
	Darjiling	95·8	— 9·8	111·2	123
	Mukteswar	28·7	—11·7	39·3	52
	Mussooree	62·6	— 8·5	79·8	84
	Simla	36·7	—11·9	49·4	64
	Dharampur	31·0	..	50·8	..
	Dalhousie	52·0	— 5·7	89·5	80
	Murree	31·5	— 6·2	66·9	60
	Cherat	13·6	+ 1·9	37·1	27
	Parachinar	8·7	..	25·8	29
	Drosh	7·8	..	8·9	..
	Mount Abu	47·2	—11·4	48·6	61
	Pachmarhi	82·1	+ 9·5	84·8	77
	Mahabaleshwar	193·3	—66·7	193·4	266
	Mercara	114·5	+ 2·3	121·2	125
	Kodaikanal	37·0	+ 4·0	79·1	62
	Coonoor	20·2	..	53·6	66
CEYLON	Colombo	50·0	+14·6	96·4	84

STATEMENT showing the total Measurement of Bales and Miscellaneous Packages with Receipts, Expenditure, &c.

Year ending.	No. of Bales and Packages measured.	Receipts.	Expenditure.	Surplus Receipts.	Excess of Expenditure.
		Rs.	Rs.	Rs.	Rs.
From 18th May 1870 to 30th November 1872	Not recorded	52,215	36,315	15,900	..
From 1st Dec. 1872 to 30th Nove. 1873.	1,086,577	16,995	15,291	1,704	..
Year ending 30th Nov. 1874	1,402,379	21,707	18,986	2,721	..
Do. 30th Nov. 1875	1,474,470	23,039	22,009	1,030	..
Do. 30th Nov. 1876	1,240,034	19,375	22,355	..	2,980
Do. 30th Nov. 1877	1,101,318	18,324	21,561	..	3,230
Do. 30th Nov. 1878	1,040,961	20,837	23,287	..	2,457
Do. 30th Nov. 1879	887,100	28,808	20,140	8,668	..
Do. 30th Nov. 1880	1,163,545	33,219	20,804	10,135	..
Do. 30th Nov. 1881	1,313,592	25,177	24,029	1,147	..
Do. 30th Nov. 1882	1,892,796	33,225	24,757	8,468	..
Do. 30th Nov. 1883	1,852,047	33,792	25,605	8,187	..
Do. 30th Nov. 1884	1,814,986	33,404	22,604	10,800	..
Do. 31st Dec. 1885	1,402,845	29,482	24,385	5,097	..
Do. 31st Dec. 1886	1,748,856	32,893	21,582	11,311	..
Do. 31st Dec. 1887	1,845,446	35,933	20,017	15,916	..
Do. 31st Dec. 1888	1,659,273	36,371	21,057	15,314	..
Do. 31st Dec. 1889	2,156,604	43,042	21,648	21,394	..
Do. 31st Dec. 1890	2,335,935	45,872	23,171	22,701	..
Do 31st Dec. 1891	2,012,900	39,533	23,402	16,131	..
Do. 31st Dec. 1892	1,946,389	38,017	24,495	13,522	..
Do. 31st Dec. 1893	1,691,755	32,517	24,273	8,244	..
Do. 31st Dec. 1894	1,708,723	33,665	25,156	8,509	..
Do. 31st Dec. 1895	1,679,325	34,921	21,546	13,375	..
Do. 31st Dec. 1896	2,049,862	30,061	22,240	17,821	..
Do. 31st Dec. 1897	1,746,610	33,956	22,484	11,472	..
Do. 31st Dec. 1898	1,910,140	36,174	21,100	15,074	..
Do. 31st Dec. 1899	2,132,663	41,684	21,041	20,643	..
Do. 31st Dec. 1900	1,147,591	28,302	20,844	7,458	..
Do. 31st Dec. 1901	2,947,198	45,497	21,918	23,579	..
Do. 31st Dec. 1902	2,159,823	43,709	26,865	16,844	..
Do. 31st Dec. 1903	2,664,171	53,654	31,522	22,132	..
Do. 31st Dec. 1904	2,292,791	48,673	19,666	29,007	..
Do 31st Dec. 1905	2,534,599	53,255	21,427	31,828	..
Do. 31st Dec. 1906	2,685,432	54,215	23,516	30,699	..
Do. 31st Dec. 1907	2,976,312	60,171	27,054	33,117	..
Do. 31st Dec. 1908	2,302,349	48,844	29,706	19,138	..
Do. 31st Dec. 1909	2,736,023	57,502	28,310	29,192	..
Do. 31st Dec. 1910	3,163,919	65,853	30,617	35,236	..
Do. 31st Dec. 1911	2,390,016	54,123	34,028	20,095	..
Do. 31st Dec. 1912	2,528,825	55,571	31,953	23,618	..
Do. 31st Dec. 1913	3,127,997	64,049	32,441	31,608	..
Do. 31st Dec. 1914	3,336,685	65,197	36,014	29,183	..
Do. 31st Dec. 1915	3,361,744	73,410	35,002	38,408	..
Do. 31st Dec. 1916	3,409,241	85,407	37,571	47,836	..
Do. 31st Dec. 1917	2,944,353	67,356	41,363	25,996	..
Do. 31st Dec. 1918	1,933,943	73,386	41,640	31,746	..
Do. 31st Dec. 1919	2,910,091	86,189	46,154	40,035	..
Do. 31st Dec. 1920	3,027,873	1,06,901	70,146	36,755	..
Do. 31st Dec. 1921	3,407,858	1,54,071	70,208	83,863	..
Do. 31st Dec. 1922	3,517,691	1,60,333	76,399	83,934	..
Do. 31st Dec. 1923	2,692,835	1,24,179	76,939	47,240	..
Do. 31st Dec. 1924	2,365,531	1,16,002	72,034	43,968	..
Do. 31st Dec. 1925	2,111,055	1,09,375	69,703	39,672	..
Do. 31st Dec. 1926	1,785,602	1,08,621	68,203	40,418	..
Do. 31st Dec. 1927	1,573,756	1,33,382	74,855	58,527	..
Do. 31st Dec. 1928	1,991,021	1,13,092	71,963	41,129	..
Do. 31st Dec. 1929	1,825,481	1,02,578	69,338	33,240	..
Do. 31st Dec. 1930	1,812,795	1,00,015	69,192	30,823	..
Do. 31st Dec. 1931	1,288,522	82,470	62,917	19,553	..
Do 31st Dec. 1932	985,491	79,726	60,855	18,871	
Do. 31st Dec. 1933	1,255,828	77,857	57,161	20,696	..
Do. 31st Dec. 1934	1,185,092	76,413	55,958	20,455	..
Do. 31st Dec. 1935	1,312,477	80,997	60,126	20,871	..

Statement showing the total Measurement of Bales and Miscellaneous Packages, with Receipts for the years 1923 to 1935.

Years.	Nett Bales certified.		Nett Miscellaneous Articles.		Nett Round Logs.		Extra Fees.		Nett Totals.	
	Number of Bales.	Nett Fees.	Number of Packages.	Nett Fees.	Number of Logs.	Nett Fees.	Articles certified.	Amount.	Packages.	Nett Fees.
		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.		Rs. a. p.
1923	2,024,508	63,265 14 0	668,323	57,951 2 3	4	2 0 0	..	2,960 7 6	2,692,835	1,24,179 7 9
1924	1,723,813	53,869 2 6	641,718	58,174 5 9	..	....	..	3,834 0 0	2,365,531	1,15,877 8 3
1925	1,570,403	49,356 5 6	531,652	55,700 2 6	..	....	..	4,318 7 6	2,111,055	1,09,374 15 6
1926	1,254,587	39,205 13 6	531,015	63,323 9 0	..	....	..	6,091 7 6	1,785,602	1,08,620 14 0
1927	994,512	31,141 0 0	577,244	68,542 0 0	..	....	..	33,699 10 0	1,573,756	1,33,382 10 0
1928	1,480,555	46,267 5 6	510,388	60,803 15 0	78	39 0 0	..	5,981 6 0	1,991,021	1,13,091 10 6
1929	1,328,917	41,528 10 6	496,505	58,565 3 0	59	29 8 0	..	2,876 0 6	1,825,481	1,02,999 6 0
1930	1,365,626	42,675 13 0	447,169	51,784 15 0	..	.. ..	..	6,096 7 6	1,812,795	1,00,557 3 6
1931	882,510	27,578 7 0	406,012	47,149 1 0	..	....	..	7,743 1 0	1,288,522	82,470 9 0
1932	487,331	15,229 1 6	498,160	56,297 1 0	..	.. ..	..	7,778 15 0	985,491	79,305 1 0
1933	834,305	26,072 0 6	421,518	46,986 4 0	..	....	..	4,257 2 6	1,255,823	77,315 7 0
1934	738,590	23,080 15 0	446,502	51,297 12 0	..	....	..	1,370 4 0	1,185,092	75,748 15 0
1935	861,868	26,933 6 0	450,609	51,453 10 0	..	....	..	2,069 6 6	1,312,477	80,456 4 6

FINANCIAL STATISTICS.

	Rs.
NOTES ISSUED BY THE RESERVE BANK OF INDIA :—	
Total amount of Notes in circulation on the 27th December 1935	
Notes held in the Banking Department ..	21,22,07,000
Notes in circulation	1,72,05,09,000
Total Rs. ..	1,93,27,16,000

		Rs.
RESERVE—		
Coin and Bullion—		
In India—		
(*a*) Held in India		41,55,19,000
(*b*) Held outside India		2,86,98,000
Sterling Securities		66,18,83,000
Rupees Coin		57,11,10,000
Government of India Rupees Securities		25,54,76,000
Internal Bills of Exchange and other Commercial Paper		...
Total Rs. ..		1,93,27,16,000

	Rs.
BALANCE HELD IN CASH IN THE DISTRICT TREASURIES of the Government of India and at the credit of Government in the Reserve Bank of India on 31st December 1931	10,08,27,000
" " " " " " " " 1932	8,77,78,000
" " " " " " " " 1933	8,31,81,000
" " " " " " " " 1934	8,46,23,000
" " " " " " " " 1935	8,84,82,000

	Official year 1934-35. Rs.	Official year 1933-34 Rs.	Official year 1932-33. Rs.
COINAGE OF SILVER IN INDIA—(Bombay and Calcutta Mints)— Whole Rupees and Small Coins	*Nil.*	20,28,263	*Nil.*

	Rs.
NET PROFIT ON COINAGE for the year ending 31st December 1935	*Nil.*

	Rs.
AMOUNT OF GOVERNMENT PROMISSORY NOTES standing on the London Registers at the end of March 1931	8,34,07,650
" " " " " " " " " " " " 1932	8,39,70,250
" " " " " " " " " " " " 1933	8,26,75,850
" " " " " " " " " " " " 1934	8,16,29,300
" " " " " " " " " " " " 1935	8,48,36,000
" " " " " " " " " " " " 1936	8,48,57,000

IMPORT AND EXPORT TRADE OF BRITISH INDIA.

STATEMENT showing the Annual Value of the Import and Export Trade of British India and the Total Miles of Railway opened.

Calendar Year.	Total Miles of Railway opened.	Year ending 31st March.	Imports.			Exports.		
			Merchandise.	Treasure.	Total Merchandise and Treasure.	Merchandise.	Treasure.	Total Merchandise and Treasure.
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1878 ..	8217	1878	41,46,41,851	17,35,54,596	58,81,96,447	65,22,23,282	2,21,09,956	67,43,33,238
1879 ..	8494	1879	37,80,09,835	7,05,67,486	44,85,77,321	60,93,68,769	3,98,22,283	64,91,91,052
1880 ..	9162	1880	41,17,25,671	11,65,48,948	52,82,74,619	67,21,07,406	2,03,51,479	69,24,58,885
1881 ..	9890	1881	53,08,68,074	8,99,72,139	62,08,40,213	74,54,09,072	1,44,04,408	75,98,13,480
1882 ..	10149	1882	49,11,28,724	11,32,27,804	60,43,56,528	81,96,64,102	1,09,97,468	83,06,61,576
1883 ..	10458	1883	52,09,86,720	13,45,33,642	65,55,20,362	83,48,49,372	1,04,18,488	84,52,67,860
1884 ..	11631	1884	55,29,89,907	12,87,79,633	68,17,69,540	88,07,64,315	1,00,84,937	89,08,49,252
1885 ..	12283	1885	55,90,16,804	13,88,81,918	69,58,98,722	83,17,01,507	1,96,89,796	85,13,91,302
1886 ..	12892	1886	55,65,19,552	15,46,70,808	71,11,90,360	83,86,11,693	1,10,82,310	84,96,94,603
1887 ..	14103	1887	61,81,19,608	11,04,83,224	72,86,02,832	88,48,10,354	1,72,04,261	90,20,14,615
1888 ..	14576	1888	65,00,45,881	13,81,25,456	78,81,71,337	90,54,36,458	1,60,66,242	92,14,82,700
1889 ..	15887	1889	69,43,77,531	13,84,49,249	83,28,26,780	97,06,02,386	1,78,43,819	98,84,46,205
1890 ..	16401	1890	69,19,93,762	17,45,45,037	86,65,38,799	1,03,44,87,052	1,90,63,218	1,05,35,50,270
1891 ..	17308	1891	71,97,57,754	21,93,44,876	93,91,02,630	1,00,21,50,575	2,12,31,785	1,02,33,82,360
1892 ..	17815	1892	69,42,75,659	14,72,26,621	84,15,02,280	1,08,17,79,873	3,28,66,858	1,11,46,46,731
1893 ..	18504	1893	66,27,86,222	17,00,98,101	83,28,84,323	1,06,57,46,715	6,95,89,237	1,13,53,35,952
1894 ..	18900	1894	77,02,60,944	18,46,12,564	95,48,73,508	1,06,51,48,540	4,10,01,921	1,10,61,50,461
1895 ..	19547	1895	73,51,65,042	9,58,12,084	83,09,77,126	1,08,92,91,191	8,22,60,717	1,17,15,51,818
1896 ..	20254	1896	72,93,61,344	13,36,79,854	86,30,41,198	1,14,34,59,341	4,25,98,105	1,18,60,57,446
1897 ..	21115	1897	76,21,58,352	13,08,45,635	89,30,03,987	1,03,98,36,184	4,93,74,955	1,08,92,11,139
1898 ..	22040	1898	73,63,43,159	20,53,06,170	94,16,49,329	97,63,51,802	7,14,86,470	1,04,78,38,272
1899 ..	23523	1899	72,11,07,161	17,89,56,127	90,00,63,238	1,12,80,11,811	7,41,14,207	1,20,21,26,018
1900 ..	24752	1900	75,30,44,785	20,97,36,851	96,27,81,636	1,09,11,36,448	7,95,63,876	1,17,07,00,324

1901 ..	25363	1901	80,89,40,873	24,57,61,818	1,05,47,02,691	1,07,76,44,143	14,22,73,646	1,21,99,17,789
1902 ..	25931	1902	88,74,24,199	20,87,13,352	1,09,61,37,551	1,24,52,48,571	11,47,08,603	1,35,99,57,174
1903 ..	26956	1903	85,86,60,829	25,31,83,178	1,11,18,44,007	1,29,40,79,337	9,65,76,370	1,39,06,55,707
1904 ..	27565	1904	92,59,22,723	38,52,61,072	1,31,11,83,795	1,53,51,71,599	15,04,38,811	1,68,56,10,410
1905 ..	28295	1905	1,04,41,27,454	39,50,81,750	1,43,92,09,204	1,57,70,83,029	16,42,88,167	1,74,13,71,196
1906 ..	29097	1906	1,12,07,09,822	31,65,14,438	1,43,72,24,260	1,61,85,53,960	15,47,00,054	1,77,32,54,014
1907 ..	30010	1907	1,17,24,15,294	44,57,98,114	1,61,82,13,408	1,76,66,94,270	5,71,82,526	1,82,38,76,796
1908 ..	30576	1908	1,36,53,80,464	42,28,44,977	1,78,82,25,441	1,77,37,29,392	5,44,85,001	1,82,82,14,393
1909 ..	31490	1909	1,28,77,81,788	22,74,41,677	1,51,52,23,465	1,53,14,31,953	6,32,02,465	1,59,46,34,418
1910 ..	32099	1910	1,22,64,97,224	37,52,34,734	1,60,17,31,958	1,87,83,04,410	6,39,90,403	1,94,22,94,813
1911 ..	32839	1911	1,33,70,57,458	39,77,35,730	1,73,47,93,188	2,10,15,16,030	7,12,69,254	2,17,27,85,284
1912 ..	33484	1912	1,44,05,54,383	53,47,08,480	1,97,52,62,863	2,27,98,82,325	10,37,39,063	2,38,36,21,388
1913 ..	34656	1913	1,66,62,96,807	61,83,17,536	2,28,46,14,343	2,46,21,83,342	10,63,17,656	2,56,85,00,998
*1913–14..	34656	1914	1,91,30,79,586	43,43,96,503	2,34,74,76,089	2,49,00,74,896	7,08,28,850	2,56,09,03,746
*1914–15..	35285	1915	1,44,93,07,207	21,80,83,236	1,66,73,90,443	1,82,17,60,256	5,28,94,370	1,87,46,54,626
*1915–16..	35833	1916	1,38,16,93,032	11,94,62,390	1,50,11,55,422	1,99,48,03,975	8,22,57,819	2,07,70,61,794
*1916–17..	36286	1917	1,60,24,89,599	37,71,08,121	1,97,95,97,720	2,47,31,10,343	6,29,72,057	2,53,60,82,400
*1917–18..	36333	1918	1,64,35,48,949	†....	†....	2,44,89,45,219	†....	† .. .
*1918–19..	36616	1919	1,88,56,24,317	71,36,55,075	2,59,92,79,392	2,55,32,02,610	9,01,03,571	2,64,33,06,181
*1919–20..	36735	1920	2,21,70,24,425	78,23,88,554	2,99,94,12,979	3,32,75,78,755	13,67,97,719	3,46,43,76,474
*1920–21..	37029	1921	3,47,13,52,122	34,76,34,962	3,81,89,87,084	2,67,64,36,175	26,17,12,640	2,93,81,48,815
1921–22..	37266	1922	2,82,59,75,453	31,29,90,526	3,13,89,65,979	2,48,65,76,106	19,06,73,144	2,67,72,49,250
*1922–23..	37618	1923	2,46,19,24,109	63,57,96,096	3,09,77,20,205	3,16,07,16,915	3,01,71,845	3,19,08,88,760
*1923–24..	38039	1924	2,37,18,32,279	53,20,40,566	2,90,38,72,845	3,63,37,63,664	3,67,32,510	3,67,04,96,174
*1924–25..	38270	1925	2,53,36,36,608	99,19,84,987	3,52,56,21,595	4,00,24,27,531	5,16,81,392	4,05,41,08,923
*1925–26..	38610	1926	2,36,00,12,595	55,48,77,580	2,91,48,90,175	3,86,81,21,842	3,83,91,668	3,90,65,13,510
*1926–27..	39048	1927	2,40,81,84,303	41,53,20,573	2,82,35,04,876	3,11,05,04,300	2,21,13,404	3,13,26,17,704
*1927–28..	39048	1928	2,61,53,40,569	34,89,52,529	2,96,42,94,098	3,30,26,37,283	3,13,60,896	3,33,39,98,179
*1928–29..	40330	1929	2,63,39,79,360	37,29,42,646	3,00,69,22,006	3,39,15,06,656	6,35,31,454	3,45,50,38,110
*1929–30..	41723	1930	2,49,70,74,490	27,83,19,584	2,77,53,94,074	3,18,98,97,089	5,14,33,004	3,24,13,30,093
*1930–31..	42281	1931	1,73,06,25,932	26,86,34,373	1,99,92,60,305	2,26,50,21,864	4,00,08,598	2,30,50,30,462
*1931–32..	42813	1932	1,30,64,28,506	7,26,80,825	1,37,91,09,331	1,61,20,22,325	65,92,85,265	2,27,13,07,590
*1932–33..	42973	1933	1,35,01,76,054	2,99,13,188	1,38,00,89,242	1,36,06,70,382	70,66,15,528	2,06,72,85,910
*1933–34..	42973	1934	1,17,33,01,304	1,96,15,215	1,19,29,16,519	1,50,23,80,304	65,56,63,908	2,15,80,44,212
*1934–35..	43021	1935	1,34,54,79,994	4,25,11,221	1,38,79,91,215	1,55,06,85,858	63,50,46,139	2,18,57,31,997

* Official year ending 31st March.

† Figures not available.

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1929-1930 *to* 1934-1935.

—	1929-1930.	1930-1931.	1931-1932.	1932-33.	1933-1934.	1934-1935.
IMPORTS—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Merchandise, Private.						
Bengal	83,37,64,794	51,20,96,789	34,66,08,177	35,43,50,471	32,82,95,421	36,15,44,994
Bombay	82,65,31,263	56,93,80,038	49,76,07,176	54,31,54,339	46,18,75,025	53,70,03,109
Sind	26,47,61,249	19,48,04,711	15,85,98,186	16,26,36,975	12,96,47,462	15,24,73,187
Madras	26,87,74,314	20,70,46,969	15,38,55,383	15,86,69,604	14,81,00,305	17,35,12,513
Burma	21,41,37,721	16,46,08,356	10,50,45,193	10,70,31,786	8,56,51,931	9,83,79,069
Total ..	2,40,79,69,341	1,64,79,36,863	1,26,37,14,116	1,32,58,43,175	1,15,35,70,144	1,32,29,12,872
Ditto Government Stores.	8,91,05,149	8,26,89,069	4,27,14,391	2,43,32,879	1,94,75,278	2,29,60,405
Total Merchandise ..	2,49,70,74,490	1,73,06,25,932	1,30,64,28,506	1,35,01,76,054	1,17,30,45,422	1,34,58,73,277
Treasure, Private.						
Bengal	3,65,74,287	4,19,45,115	1,22,75,682	26,71,723	9,45,237	13,07,497
Bombay	18,63,02,984	17,91,44,927	4,43,50,799	1,91,04,670	1,01,30,351	4,48,77,330
Sind	42,67,218	38,60,301	13,79,775	24,82,172	34,45,895	17,68,825
Madras	4,77,11,409	4,09,77,844	1,39,78,408	53,11,351	50,00,987	39,55,880
Burma	28,19,831	26,23,109	6,05,406	3,45,430	38,309	6,216
Total ..	27,76,75,929	26,85,51,296	7,25,90,070	2,99,05,346	1,95,57,779	5,19,15,748
Ditto. Government ..	6,43,655	83,077	90,755	7,842	57,436	1,417
Total Treasure ..	27,83,19,584	26,86,34,373	7,26,80,825	2,99,13,188	1,96,15,215	5,19,17,165
Grand Total of Imports..	2,77,53,94,074	1,99,92,60,305	1,37,91,09,331	1,38,00,89,242	1,19,26,60,637	1,39,77,90,442

EXPORTS—						
Merchandise, Private.						
Foreign Goods.						
Bengal	56,16,427	43,17,090	52,45,981	32,35,587	35,17,540	34,13,645
Bombay	4,52,10,018	3,23,21,172	2,84,33,268	1,97,33,172	2,15,58,254	2,38,04,885
Sind	1,66,71,547	1,10,43,710	91,41,349	60,69,776	64,92,807	57,12,182
Madras	28,78,293	27,12,109	27,13,669	22,60,283	17,12,558	16,57,077
Burma	8,92,377	10,46,234	10,51,993	8,94,628	8,92,410	8,68,927
Total ..	7,12,68,662	5,14,40,315	4,65,86,260	3,21,93,446	3,41,73,569	3,54,56,716
Indian Produce and Manufactures.						
Bengal	1,33,11,25,981	86,31,75,277	64,03,53,878	55,73,11,844	63,34,08,102	62,38,14,283
Bihar and Orissa ..	12,540	35,962	4,050	....	....	....
Bombay	69,70,96,113	53,02,13,733	31,50,95,935	23,16,87,185	28,34,58,065	31,02,08,498
Sind	23,85,59,629	16,96,80,056	11,53,26,924	10,82,66,781	13,57,66,955	15,84,76,647
Madras	44,72,27,190	32,00,75,147	25,97,94,915	23,55,04,692	24,64,20,592	25,09,04,809
Burma	39,40,33,747	32,17,46,163	22,83,10,392	19,12,86,735	17,34,53,106	17,32,93,260
Total ..	3,10,80,55,200	2,20,49,26,338	1,55,88,86,094	1,32,40,57,237	1,47,25,06,820	1,51,66,97,497

FOREIGN TRADE OF BRITISH INDIA.

Summary of Imports and Exports in the Official Years 1929-30 *to* 1934-35—(continued).

—	1929-1930.	1930-1931.	1931-1932.	1932-1933.	1933-1934.	1934-1935.
Total Foreign and Indian Merchandise exported Private.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bengal	1,33,67,42,408	86,74,92,367	64,55,99,859	56,05,47,431	63,69,25,642	62,72,27,928
Bihar and Orissa ..	12,540	35,962	4,050	....	....	....
Bombay	74,23,06,131	56,25,34,905	34,35,29,203	25,14,20,357	30,50,16,319	33,40,13,383
Sind	25,52,31,176	18,07,23,766	12,44,68,273	11,43,36,557	14,22,59,762	16,41,88,829
Madras	45,01,05,483	32,27,87,256	26,25,08,584	23,77,64,975	24,81,33,150	25,25,61,880
Burma	39,49,26,124	32,27,92,397	22,93,62,385	19,21,81,363	17,43,45,516	17,41,62,187
Total ..	3,17,93,23,862	2,25,63,66,653	1,60,54,72,351	1,35,65,50,683	1,50,66,80,389	1,55,21,54,213
Ditto Government Stores.	1,05,73,227	86,55,211	65,49,971	44,19,696	50,34,820	28,17,431
Total Merchandise ..	3,18,98,97,089	2,26,50,21,864	1,61,20,22,325	1,36,06,70,382	1,51,17,15,209	1,55,49,71,644
Treasure, Private.						
Bengal	3,875	2,497	18,86,243	1,39,18,885	83,61,038	1,85,50,737
Bombay	1,28,86,958	2,24,41,712	61,21,26,871	60,68,16,363	53,72,81,386	53,52,48,774
Sind	21,05,500	11,25,035	44,38,871	69,04,770	12,83,600	10,14,982
Madras	5,46,367	6,92,941	58,31,107	4,37,41,748	3,82,40,286	1,45,91,852
Burma	1,44,454	10,000	47,81,131	78,10,367	67,31,543	78,55,855
Total ..	*1,56,87,154*	*2,42,72,185*	*62,90,64,223*	67,91,92,133	59,18,98,455	57,72,62,200
Ditto. Government ..	3,57,45,850	1,57,36,413	3,02,21,042	2,74,23,395	6,37,65,455	5,77,83,930
Total Treasure ..	5,14,33,004	4,00,08,598	65,92,85,265	70,66,15,528	65,56,63,908	63,50,46,139
Grand Total of Exports..	3,24,13,30,093	2,30,50,30,462	2,27,13,07,590	2,06,72,85,910	2,16,73,79,117	2,19,00,17,783

Value of the Imports of Gold and Silver Coin and Bullion into British India by Sea during the year ending 31st December 1936.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	12,51,330	....	12,51,330	71,88,411	....	71,88,411
Belgium	368	....	368	....	....	....
France	4,56,430	....	4,56,430	....	....	....
Iraq	12,619	....	12,619	3,53,106	....	3,53,106
Arabia	33,68,503	....	33,68,503	10,58,258	....	10,58,258
Aden and Dependencies	5,92,047	....	5,92,047	50,595	1,71,336	2,21,931
Iran	....	....	....	61,309	....	61,309
Bahrein Islands	5,65,931	....	5,65,931	5,84,650	....	5,84,650
Africa East	79,030	....	79,030	8,14,092	....	8,14,092
Union of South Africa	....	....	....	5,547	....	5,547
China (Hongkong)	....	....	....	38,204	....	38,204
China (Other Ports)	....	....	....	338	....	338
Straits Settlements	....	....	....	1,53,327	....	1,53,327
Siam	....	....	....	82,961	....	82,961
Australia and New Zealand	....	....	....	43,47,524	....	43,47,524
Ceylon	33,89,490	....	33,89,490	1,01,711	....	1,01,711
Mauritius and Dependencies (including Seychelles).	1,70,922	....	1,70,922	8,38,753	....	8,38,753
Total	98,86,670	....	98,86,670	1,56,78,786	1,71,336	1,58,50,122

Value of the Exports of Gold and Silver Coin and Bullion from British India by Sea during the year ending 31st December 1936.

Countries.	Gold.			Silver.		
	Private.	Government.	Total.	Private.	Government.	Total.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom	30,50,16,324	....	30,50,16,324	2,63,90,942	6,07,75,903	8,71,66,845
Netherlands	53,24,238	....	53,24,238	....	....	....
France	68,42,935	....	68,42,935	....	....	....
Iraq	82,631	....	82,631	....	....	....
Arabia	....	....	....	21,04,133	....	21,04,133
Bahrein Islands	....	....	....	1,82,000	....	1,82,000
Iran	....	....	....	1,01,390	....	1,01,390
Mauritius and Dependencies (including Seychelles).	....	....	....	....	....	....
Hongkong	....	....	....	89,91,625	....	89,91,625
Ceylon	373	....	373	1,737	....	1,737
United States of America	9,22,20,895	....	9,22,20,895	82,42,258	....	82,42,258
"For orders" Cargoes,—						
United Kingdom	2,85,09,858	....	2,85,09,858	....	....	....
United States of America	42,30,621	....	42,30,621	....	....	....
Total ..	44,22,27,875	....	44,22,27,875	4,60,14,085	6,07,75,903	10,67,89,988

Total Imports of Treasure on Private Account from Foreign Countries and Indian Ports into Bombay by Sea during the year 1935. (*From* 1*st January to* 31*st December* 1935.)

From	Gold.			Silver.			
	Bullion.	Sovereigns and Half Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
United Kingdom—							
London, Liverpool, etc. ..	4,61,320	7,80,597	....	70,32,514	....	44,073	....
Australia	....	....	....	43,63,332	....	....	....
Aden	3,41,027	2,41,568	9,914	17,237	7,524	16,395	6,954
Hongkong	....	....	....	....	....	19,200	....
Colombo	....	....	....	5,812	....	....	....
Persian Gulf Ports	....	....	....	27,554	....	1,200	....
Iraq	....	8,703	3,916	....	42,312	1,88,720	53,365
Arabian and Red Sea Ports ..	7,06,756	30,41,723	73,627	1,01,579	37,086	9,90,563	59,586
African Ports	71,883	17,168	106	32,723	....	7,80,000	1,451
Gwadhai Pasni	....	....	....	2,434	....	.....	15,990
Bangkok	....	....	....	....	....	82,961	....
Mauritius	1,41,159	9,385	....	1,760	....	8,32,000	....
All Indian Ports	16,453	....	....	7,96,769	57,661	47,333	9,06,627
Total ..	17,48,517	40,99,144	87,563	1,26,81,714	1,44,583	30,02,445	10,43,973

Total Exports of Treasure on Private Account to Foreign Countries and Indian Ports from Bombay by Sea during the year 1935. (*From* 1*st January to* 31*st December* 1935.)

To	Gold.			Silver.			
	Bullion.	Sovereigns and Half-Sovereigns.	Other Coin.	Bullion.	Dollars.	Government of India Rupees.	Other Coin.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
London-Liverpool, Plymouth, etc.	21,49,51,206	62,29,676	23,589	1,55,65,078	....	40,000	6,156
London, New York, Montreal Paris or Amsterdam ..	17,92,28,243	25,94,089	....	....	....	....	....
Continent of Europe	12,66,497	....	....	....	....	....	....
New York	3,11,99,589	....	....	82,42,258	....	....	....
Hong Kong	....	....	....	....	89,91,625	....	....
Iraq	....	82,631	....	....	....	....	....
Arabia Red Sea Port	....	....	....	....	4,033	21,30,000	....
All Indian Ports	2,000	....	....	27,429	....	....	....
Total ..	42,66,47,535	89,06,396	23,589	2,38,34,765	89,95,658	21,70,000	6,156

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the years 1892 to 1923.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1892	954,243	53,275	3,805,823	1,758,459	1,227,560	9,374,762	620,133
1893	857,771	49,538	4,319,264	4,275,862	1,510,317	5,043,690	563,053
1894	799,070	54,678	5,389,941	3,306,108	1,126,418	1,561,048	1,076,482
1895	624,465	61,586	2,639,749	1,829,827	1,379,335	2,522,933	775,582
1896	772,258	58,520	3,214,613	1,495,463	1,186,842	1,429,572	839,314
1897	511,899	51,710	775,838	1,874,663	831,398	5,343	555,081
1898	490,544	51,653	2,729,122	2,287,393	1,847,419	5,781,881	635,732
1899	500,232	53,272	2,136,142	1,967,680	1,613,679	2,852,863	752,343
1900	232,425	40,611	811,128	1,050,052	1,613,135	608	878,740
1901	560,434	33,091	1,754,761	2,586,544	1,704,817	38,619	728,055
1902	577,929	39,793	2,017,704	2,742,283	1,881,426	211,397	1,079,241
1903	958,199	49,332	2,957,635	2,614,181	3,063,821	2,783,625	748,137
1904	926,295	58,319	3,808,789	2,182,881	2,266,118	5,302,304	958,886
1905	667,323	63,666	3,485,956	728,041	1,420,503	4,205,315	621,298
1906	989,693	59,101	1,889,089	829,438	1,578,931	485,747	779,584
1907	1,126,376	54,390	2,332,472	2,026,544	2,235,206	552,660	848,293
1908	659,822	47,344	1,046,806	802,923	1,018,619	12,740	1,304,388
1909	672,247	69,121	1,843,403	1,273,005	1,620,631	2,177,644	76,757
1910	1,153,233	68,059	2,546,238	2,137,828	2,864,185	1,673,016	917,208
1911	776,417	62,721	4,905,089	1,383,053	2,016,231	3,326,327	662,892
1912	436,208	64,072	3,579,356	1,069,916	1,012,554	3,805,556	652,080
1913	736,262	63,244	3,713,812	1,042,510	1,695,000	4,997,989	549,483
1914	1,113,016	54,555	2,622,097	678,060	1,280,036	109,323	755,687

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to Europe (including Port Said for orders) during the years 1892 to 1923—continued.

Years.	Cotton.	Wool and Goat Hair.	Linseed.	Rape Seed.	Gingelly Seed.	Wheat.	Myrabollams.
	Bales.	Bales.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1915	403,322	82,456	1,603,837	543,494	150,068	1,593,092	601,144
1916	293,876	77,109	5,410,560	451,732	1,130,405	545,656	422,965
1917	358,378	84,151	2,630,619	321,811	639,091	4,636,634	408,692
1918	190,529	109,850	2,474,109	73,181	3,552	1,487,714	300,061
1919	337,043	63,938	2,689,540	396,514	331,022	126,416	538,022
1920	649,736	42,920	1,511,263	729,716	678,059	....	346,812
1921	503,215	36,931	524,442	165,908	264,842	....	419,329
1922	628,674	75,326	2,307,869	464,045	610,412	1,000	525,031
1923	980,710	51,734	3,043,144	786,356	156,675	419,046	389,198

Exports of Cotton, Wool, Linseed, Rape Seed, Gingelly Seed, Wheat and Myrabollams from Bombay by Sea to all Foreign Countries during the years 1924 to 1935.

1924	2,520,053	75,992	2,990,141	881,200	468,157	547,085	888,994
1925	2,820,629	66,329	3,524,849	531,136	812,900	1,187,532	605,257
1926	2,257,802	46,347	1,585,096	77,894	72,752	138,592	719,078
1927	2,052,225	57,996	1,641,559	52,861	80,010	32,880	883,259
1928	2,563,221	71,769	1,828,077	189,435	471,740	68,162	641,162
1929	2,678,328	83,264	1,576,531	39,838	415,725	47,553	729,169
1930	2,755,604	41,532	2,110,422	16,354	19,708	32,857	732,974
1931	2,194,682	49,201	926,552	15,155	83,802	71,035	644,706
1932	924,302	33,474	491,481	39,023	248,126	26,236	592,374
1933	1,545,511	57,388	3,298,611	49,677	305,965	25,937	709,041
1934	1,713,319	41,329	3,229,879	69,178*	143,941	24,865	617,732
1935	16,33,888	48,036	1,222,517	43,854*	11,230	30,088	7,02,840

* Inclusive of mustard Seed.

STATEMENT showing the Exports from Bombay by Sea of Indian Manufactured Cotton Piece-Goods and Yarns since 1908.

Year ending 31st Dec.	Grey and White Piece-Goods.			Coloured Piece-Goods.		Total Piece-Goods.			Yarns	
	Packages.	Yards.	lbs.	Packages.	Yards.	Packages.	Yards.	lbs.	Bales.	lbs.
1908	120,300	215,698,687	60,862,003	30,997	50,792,342	151,297	266,491,029	66,622,757	598,621	234,484,640
1909	141,920	252,992,500	70,093,139	39,326	66,751,717	181,246	319,744,217	79,936,054	636,329	252,460,745
1910	136,972	250,489,940	68,312,314	45,333	75,673,845	182,305	326,163,785	81,540,946	565,999	223,758,970
1911	122,601	224,438,698	63,524,949	54,000	89,411,376	176,601	313,850,074	78,462,518	403,214	158,582,640
1912	126,681	231,976,527	66,009,051	64,169	107,289,928	190,850	339,266,455	84,816,614	579,281	228,759,617
1913	97,005	177,239,570	50,527,978	55,071	92,467,657	152,076	269,707,227	67,426,327	518,230	205,207,962
1914	91,837	169,515,937	49,361,518	42,084	72,602,270	133,921	242,118,207	60,529,552	437,159	173,172,953
1915	108,956	199,968,079	58,850,926	61,045	103,038,333	170,001	303,006,412	75,751,603	471,395	186,585,698
1916	175,923	248,326,445	70,956,464	82,818	139,616,532	258,741	387,942,977	96,985,744	410,972	162,627,300
1917	111,845	176,934,869	46,119,953	86,909	148,290,803	198,754	325,225,672	81,306,418	373,187	147,167,250
1918	94,071	153,463,774	40,025,958	71,424	126,063,308	165,495	279,527,082	69,881,770	193,275	75,599,059
1919	132,112	219,343,388	56,536,165	116,313	202,286,577	248,425	421,629,965	105,407,491	372,212	146,832,081
1920	149,552	241,230,910	61,482,863	157,042	120,332,112	306,594	361,563,022	90,390,755	288,778	113,351,962
1921	120,739	212,563,435	53,577,720	99,518	159,572,347	220,257	372,135,782	93,033,945	314,330	124,310,163
1922	138,769	254,292,354	65,928,239	100,581	176,411,422	239,350	430,703,776	107,675,944	267,711	105,122,885
1923	173,381	304,497,408	69,452,982	110,243	180,990,910	283,624	485,488,118	121,372,029	215,036	83,657,151
1924	177,950	320,087,971	75,657,413	103,999	169,055,231	281,949	489,143,202	122,285,800	175,175	67,861,329
1925	133,458	233,217,232	55,688,235	96,447	158,069,128	229,905	391,286,360	97,821,590	176,210	67,892,155
1926	119,331	210,752,239	50,243,116	112,795	180,075,412	232,126	390,827,651	97,706,912	175,869	67,786,883
1927	130,963	229,773,883	55,215,566	118,474	196,438,974	249,437	426,212,857	106,553,214	156,999	60,555,498
1928	100,699	177,282,508	34,777,044	97,936	157,677,505	198,635	334,960,013	83,740,003	102,954	40,816,700
1929	106,748	193,179,168	38,635,833	82,351	147,586,666	189,099	340,765,834	85,191,458	125,577	54,361,428
1930	136,281	241,220,836	48,964,399	75,555	122,465,715	211,836	363,686,551	90,921,637	126,006	50,490,540
1931	192,578	342,654,885	68,686,328	80,346	127,129,785	272,924	469,784,670	117,446,167	142,236	65,666,253
1932	294,483	794,303,908	106,795,020	72,177	108,236,606	366,660	902,540,514	225,635,128	122,156	46,294,310
1933	209,259	390,535,659	78,065,873	58,052	87,899,698	267,311	478,435,357	119,608,839	112,059	43,557,629
1934	229,024	414,324,303	86,762,142	65,728	94,046,841	294,752	508,370,444	127,092,611	94,853	37,126,195
1935	216,300	383,877,416	76,775,483	55,416	81,771,947	271,716	465,649,363	116,412,340	88,088	34,626,637

* The weights have been arrived at by dividing the length in yards by 4.00, the average weight of the Grey and Bleached Cloths.

Exports of Indian Manufactured Cotton Yarns by Sea and Rail from Bombay (Converted into Bales of 400 lbs. each) since 1897.

1st January to 31st December.	To China.	To Japan.	Total to China and Japan.	Total to other Ports.	Total Exports by Sea.	Total Exports by Rail.*	Total Exports by Sea and Rail.
1897	361,221	645	361,866	91,095	452,961	5,822	458,783
1898	437,645	475	438,120	108,691	546,811	7,100	553,911
1899	579,619	250	579,869	94,029	673,898	4,408	678,306
1900	253,331	100	253,431	87,998	341,429	5,480	346,909
1901	536,195	....	536,195	99,599	635,794	6,670	642,464
1902	555,487	....	555,487	111,259	666,746	7,427	674,173
1903	604,044	....	604,044	113,256	717,300	8,348	725,648
1904	460,316	3	460,319	113,381	573,700	9,789	583,489
1905	651,870	....	651,870	91,603	743,473	8,099	751,572
1906	596,926	500	597,426	99,628	697,054	15,417	712,471
1907	412,127	200	412,327	190,387	602,714	19,218	621,932
1908	441,899	....	441,899	144,312	586,211	18,334	604,545
1909	510,746	....	510,746	120,406	631,152	19,302	650,454
1910	424,893	....	424,893	130,506	555,399	19,103	574,502
1911	275,087	....	275,087	121,369	396,456	18,927	415,383
1912	433,989	....	433,989	137,910	571,899	13,400	585,299
1913	405,359	....	405,359	107,661	513,020	15,011	528,031
1914	324,586	....	324,586	108,346	432,932	30,957	463,889

1915	358,777	....	358,777	107,687	466,464	44,192	510,656
1916	303,692	....	303,692	102,876	406,568	37,846	444,414
1917	286,365	107	286,472	81,446	367,918	48,203	416,121
1918	108,568	....	108,568	80,429	188,997	87,115	276,112
1919	270,058	389	270,447	96,633	367,080	47,980	415,060
1920	175,688	....	175,688	107,692	283,380	119,436	402,816
1921	152,911	10	152,921	157,854	310,775	153,575	464,350
1922	118,970	....	118,970	143,837	262,807	167,543	430,350
1923	58,241	....	58,241	150,901	209,142	166,491	375,633
1924	31,161	....	31,161	138,493	169,654	123,461	293,115
1925	28,623	10	28,633	141,097	169,730	143,174	312,904
1926	44,152	36	44,188	125,279	169,467	¶	....
1927	2,753	67	2,820	148,568	151,388	¶	....
1928	3,660	....	3,660	98,381	102,041	¶	....
1929	3,169	....	3,169	132,734	135,903	¶	....
1930	1,831	....	1,831	124,395	126,226	¶	....
1931	213	....	213	142,023	142,236	¶	....
1932	....	....	.....	115,736	115,736	¶	....
1933	....	....	....	108,894	108,894	¶	....
1934	....	....	....	92,812	92,812	¶	....
1935	....	....	....	86,567	86,567	¶	....

* Compiled from Returns received from the Railway Companies. ¶ Figures not available.

Foreign Countries to which Cotton Grey Piece-Goods of Indian manufacture have been exported from Bombay by Sea since 1930-31.

(*Year ending 31st March.*)

To	In lakhs of yards (000's omitted).				
	1930-31.	1931-32.	1932-33.	1933-34	1934-35.
United Kingdom	..	.01	1.22	.09	.03
Aden and Dependencies ..	17.09	9.80	1.70	2.45	4.22
Bahrein Islands	.38	.05	.01	.06	.34
Ceylon	.50	.62	1.29	.31	4.35
Straits Settlements including Labuan	.13	.13	1.38	.66	1.89
Federated Malay States	..	..	..	..	.64
Cyprus	.33	.35	..	..	3.08
Natal	.03	.31	.02	..	..
Zanzibar and Pemba	6.41	4.13	2.55	2.07	1.18
Kenya Colony (formerly known as East African Protectorate) .	9.59	10.44	5.25	4.08	3.26
Nigeria	..	..	..	..	.62
Tanganyika Territory	17.48	20.77	6.05	5.00	4.61
Somaliland Protectorate ..	..	..	..	..	.11
Anglo-Egyptian Sudan	4.99	2.35	1.14	1.44	1.64
Mauritius and Dependencies ..	.54	.55	1.18	.49	12.36
Seychelles	.03	.27	.33	.38	.86
Commonwealth of Australia ..	..	..	.42	..	.39
Other British Possessions ..	.72	.53	.59	.07	.42
Greece	..	..	..	..	..
Turkey, European	..	..	..	..	..
Turkey, Asiatic	..	..	..	..	..
Syria	..	..	..	..	..
Muscat Territory and Trucial Oman	.75	.84	.16	.23	.35
Other Native States in Arabia ..	1.32	1.83	.21	.76	.55
Iraq	1.32	..	1.11	1.30	.67
Persia	1.43	2.62	.27	1.30	.33
Siam	.43	.12	.01	1.27	.01
Egypt	4.74	4.05	..	..	..
Portuguese East Africa	22.06	19.00	16.92	13.32	16.89
Smyrna	..	..	..	..	..
Italian East Africa (Somaliland and Eriterea)	1.59	.07	.38	.45	.17
French Somaliland	3.76	4.25	3.12	3.05	2.47
Other Foreign countries ..	.10	.07	.02	..	..
Total Grey Piece-Goods ..	95.72	83.18	44.91	39.80	61.44
Value in lakhs of Rupees ..	25.70	22.22	11.99	10.24	13.93

Foreign Countries to which Indian Cotton Yarns have been exported from Bombay by Sea since 1930-31.
(*Year ending* 31*st March.*)

To	In lakhs of lbs. (000's omitted.)				
	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.
United Kingdom	2.13	1.51	1.98	4.40	2.36
Malta and Gozo	.05	.08	.11	.35	.11
Cyprus	1.95	2.34	1.23	2.17	2.37
Aden and Dependencies	47.36	22.41	20.75	21.39	14.74
Bahrein Islands	.77	1.21	.89	1.33	1.16
Palestine	1.92	3.07	3.60	3.68	3.76
Ceylon	.57	.18	.06	.09	.29
Straits Settlements including Labuan	5.15	7.28	4.65	6.69	6.98
Hongkong	8.80	1.30	..	..	..
Tanganyika Territory	.15	.16	.20	.21	.23
Anglo-Egyptian Sudan	.01	..	..	.02	.22
Zanzibar and Pemba	.69	.44	.36	.55	.55
Kenya Colony	.68	.82	.86	1.20	.89
Natal	2.04	2.34	..	..	..
Australasia	.19	.06	..	..	.18
Other British Possessions ..	.28	.02	.08	.09	.11
Germany	..	..	..	.61	.93
Italy	.34	..	..	.08	.10
Greece	1.50	.28	.77	.51	.71
Tripoli	..	..	.48	.30	..
Serbcroat Slovene State	..	..	..	..	..
Bulgaria	1.90	5.56	2.86	3.26	1.36
Rumania	..	..	..	..	.62
Celebes and other Islands ..	..	..	..	.01	..
Egypt	38.68	21.95	3.29	1.72	.29
Syria	19.73	21.40	22.83	28.04	34.07
Smyrna	2.68	.10	..	..	..
Turkey, European	1.58	.32	.23	..	.12
Turkey, Asiatic	1.03	.56	..	2.00	5.35
Muscat Territory & Trucial Oman	1.93	1.74	1.35	1.36	1.13
Other Native States in Arabia ..	2.01	2.07	2.46	1.71	1.17
Iraq	11.36	17.02	10.99	8.06	7.40
Persia	44.64	65.30	36.53	43.57	15.36
Siam	15.77	10.54	7.56	8.29	6.57
Phillippine Islands and Guano ..	.03	..	..	..	.02
China excldg. Hongkong	..	.06	..	..	1.02
Japan	..	..	..	..	..
Portuguese East Africa	1.71	.94	.33	.01	..
Italian East Africa	.35	.59	.33	.48	.53
French Somaliland	8.94	19.76	18.21	15.06	9.41
Other Foreign Countries ..	.45	.52	.26	.01	.02
Total Yarns ..	227.66	212.60	143.23	157.25	120.13
Value in lakhs of Rupees ..	154.22	124.24	74.88	78.55	58.80

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and from and to Foreign Countries at Ports in British

EN

YEAR.	WITH CARGOES.						IN	
	Sailing.		Steam		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1923-1924 ..	686	68,682	2,341	6,667,894	3,027	6,736,576	315	34,724
1924-1925 ..	635	64,215	2,395	6,924,434	3,030	6,988,649	365	33,645
1925-1926 ..	640	61,953	2,411	7,041,419	3,051	7,103,372	357	32,931
1926-1927 ..	518	51,249	2,365	6,930,836	2,883	6,982,085	397	39,415
1927-1928 ..	564	51,794	2,571	7,598,539	3,135	7,650,333	405	39,459
1928-1929 ..	491	43,303	2,718	8,187,016	3,209	8,230,319	420	30,941
1929-1930 ..	538	47,775	2,721	8,327,048	3,259	8,374,823	293	28,862
1930-1931 ..	492	41,665	2,538	7,858,281	3,030	7,899,946	338	33,838
1931-1932 ..	522	42,853	2,328	7,337,802	2,850	7,380,655	313	30,232
1932-1933 ..	509	40,005	2,124	6,909,371	2,633	6,949,376	314	30,683
1933-1934 ..	415	33,108	2,219	7,320,543	2,634	7,353,651	354	28,543
1934-1935 ..	483	38,433	2,399	7,901,184	2,882	7,939,617	†	†
								CLEAR
1923-1924 ..	1,016	108,942	2,745	7,897,122	3,761	8,006,064	29	2,093
1924-1925 ..	885	92,947	2,918	8,497,229	3,803	8,590,176	148	7,552
1925-1926 ..	858	87,319	2,727	8,093,319	3,585	8,180,638	65	5,223
1926-1927 ..	871	89,181	2,630	7,800,807	3,501	7,889,988	32	2,901
1927-1928 ..	992	96,046	2,667	7,828,456	3,659	7,925,402	24	2,590
1928-1929 ..	963	91,108	2,804	8,358,972	3,767	8,458,706	30	3,510
1929-1930 ..	873	82,070	2,888	8,776,368	3,762	8,860,735	23	1,462
1930-1931 ..	920	86,604	2,523	7,823,154	3,445	7,915,668	53	3,686
1931-1932 ..	843	76,101	2,338	7,481,175	3,182	7,560,254	47	4,381
1932-1933 ..	858	76,109	2,216	7,206,561	3,074	7,282,670	48	3,987
1933-1934 ..	800	69,207	2,334	7,647,628	3,134	7,716,835	48	2,598
1934-1935 ..	964	77,717	2,497	8,149,328	3,461	8,227,045	†	†

† Details not

FOREIGN TRADE.

Steam, which Entered and Cleared with Cargoes and in Ballast, India in each Official Year from 1923-1924 *to* 1934-35.

TERED.

Ballast.				Total.				Grand Total.	
Steam.		Total.		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons.
413	1,265,031	728	1,297,755	1,001	103,406	2,754	7,932,925	3,755	8,036,331
537	1,591,293	902	1,624,938	1,000	97,860	2,932	8,515,727	3,932	8,613,587
375	1,165,692	782	1,198,623	997	94,884	2,786	8,207,111	3,783	8,301,995
402	1,326,166	799	1,362,581	915	90,664	2,767	8,254,002	3,682	8,344,666
378	1,188,018	783	1,226,507	969	90,253	2,949	8,786,587	3,918	8,876,840
414	1,238,427	837	1,286,994	911	83,244	3,132	9,425,423	4,046	9,517,313
420	1,244,004	713	1,272,866	831	76,637	3,141	9,571,052	3,972	9,647,689
338	1,071,846	676	1,105,684	830	75,503	2,876	8,930,127	3,706	9,005,630
291	956,718	608	963,405	835	73,085	2,619	8,294,520	3,241	7,903,382
204	922,723	604	986,345	823	70,688	2,418	7,832,694	3,455	8,370,583
327	1,081,793	681	1,110,336	769	61,651	2,546	8,402,336	3,315	8,463,987
†	†	738	959,383	†	†	†	†	3,620	8,899,000

ED.

161	569,327	190	571,420	1,045	111,035	2,906	8,466,449	3,951	8,577,484
139	444,757	287	452,309	1,033	100,499	3,057	8,941,986	4,090	9,042,485
190	647,728	255	652,951	923	92,542	2,917	8,741,047	3,840	8,833,589
223	800,736	255	803,637	903	92,082	2,853	8,601,543	3,756	8,693,625
233	773,760	257	776,350	1,016	99,536	2,900	8,602,216	3,916	8,701,752
277	892,628	307	896,138	993	94,618	3,078	9,251,600	4,074	9,354,844
248	866,507	271	877,969	896	83,532	3,136	9,652,875	4,033	9,738,704
255	871,331	308	875,017	973	90,290	2,778	8,694,486	3,753	8,790,685
173	623,075	220	627,456	890	80,482	2,511	8,104,250	3,402	8,187,719
152	518,093	200	522,080	906	80,096	2,368	7,724,654	3,274	7,804,750
120	446,313	168	448,911	848	71,805	2,454	8,093,941	3,302	8,165,746
†	†	167	480,955	†	†	†	†	3,640	8,717,000

† available.

SHIPPING—

Number and Tonnage of Vessels, distinguishing Sailing and Steam, Foreign Countries at the Chief Port of the Bombay

EN

YEAR.	WITH CARGOES.						IN	
	Sailing.		Steam.		Total.		Sailing.	
	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.
1923-1924 ..	147	18,271	576	2,195,809	723	214,080	3	811
1924-1925 ..	150	19,098	584	2,224,340	734	2,243,438	4	937
1925-1926 ..	143	17,724	616	2,330,516	759	2,348,240	1	88
1926-1927 ..	110	14,547	548	2,115,885	658	2,130,432	3	631
1927-1928 ..	140	15,411	640	2,465,823	780	2,481,234	..	..
1928-1929 ..	151	15,519	615	2,500,473	738	2,513,854	..	..
1929-1930 ..	120	12,527	645	2,728,985	765	2,741,512	..	..
1930-1931 ..	105	10,134	601	2,578,353	706	2,588,487	..	..
1931-1932 ..	96	10,303	539	2,530,376	635	2,540,679	..	..
1932-1933 ..	102	10,587	565	2,916,674	667	2,927,261	..	..
1933-1934 ..	94	9,679	573	3,051,270	667	3,060,949	1	124
1934-1935 ..	93	10,030	572	3,035,688	665	3,045,718	..	..
								CLEAR
1923-1924 ..	127	14,416	416	1,653,432	543	1,667,848	2	433
1924-1925 ..	79	8,848	402	1,563,419	481	1,572,267	4	843
1925-1926 ..	115	13,244	419	1,662,530	534	1,675,774	4	564
1926-1927 ..	87	9,785	347	1,438,438	434	1,448,216	7	1,162
1927-1928 ..	101	11,383	422	1,688,802	523	1,700,185	..	..
928-1929 ..	81	8,009	449	1,956,501	529	1,964,528	1	250
1929-1930 ..	84	8,185	474	2,086,533	558	2,094,718	1	56
1930-1931 ..	77	7,561	433	1,983,856	510	1,991,417	3	323
1931-1932 ..	69	6,552	429	2,183,882	498	2,190,434	1	56
1932-1933 ..	81	7,858	470	2,627,271	551	2,635,129	3	277
1933-1934 ..	94	9,751	478	2,684,730	572	2,694,481	7	958
1934-1935 ..	87	9,038	464	2,703,615	551	2,712,653	1	49

FOREIGN TRADE.

which Entered and Cleared with Cargoes and in Ballast, from and to Presidency in each Official Year from 1923-1924 *to* 1934-1935.

TERED.

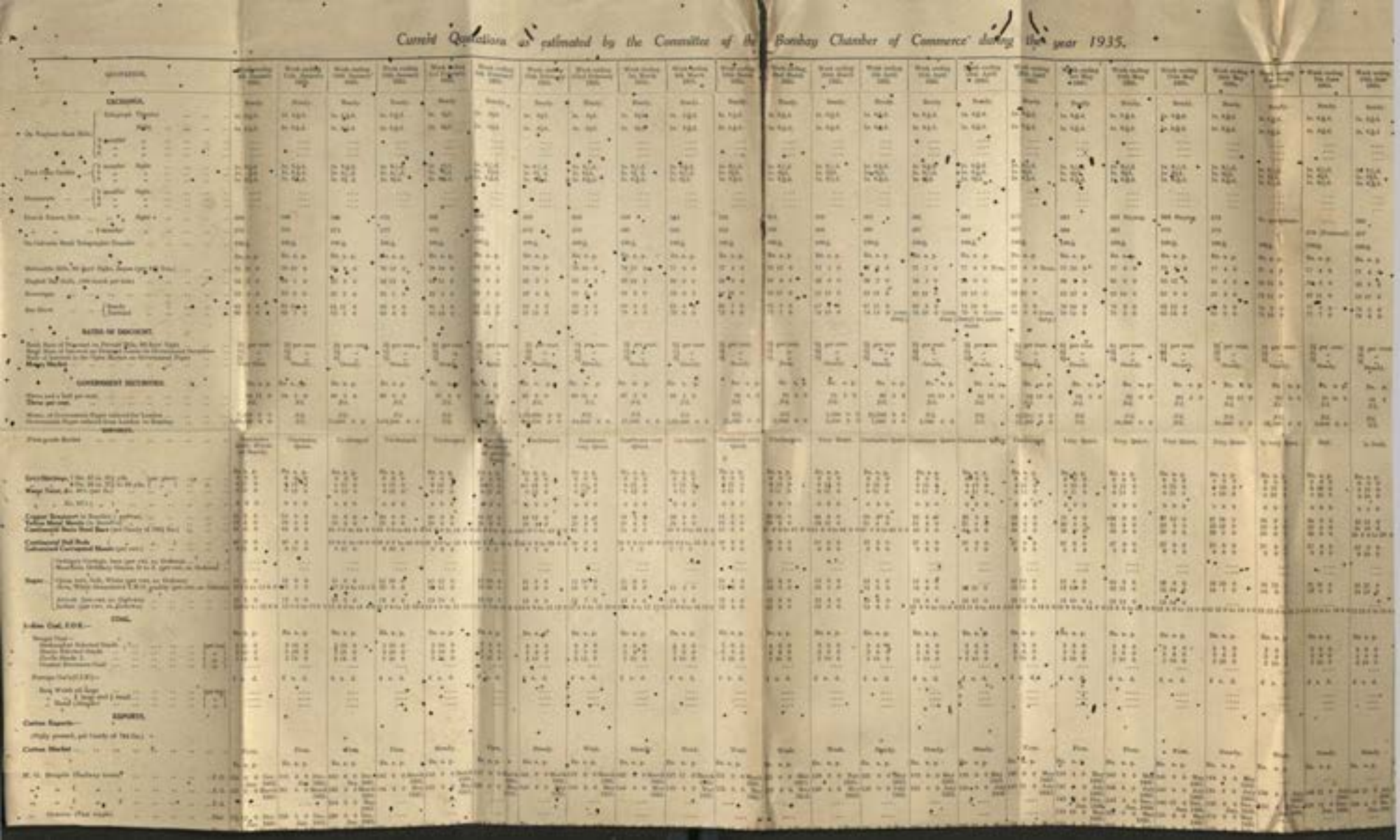
BALLAST.				TOTAL.				Grand Total.	
Steam.		Total		Sailing.		Steam.			
Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Vessels.	Net Tons.	Sailing and Steam Vessels.	Net Tons.
67	251,568	70	252,379	150	19,082	643	2,447,377	793	2,466,459
49	146,965	53	147,902	154	20,035	633	2,371,305	787	2,391,340
36	103,893	37	103,981	144	17,812	652	2,434,409	796	2,452,221
33	124,024	36	124,655	113	15,178	581	2,239,909	694	2,255,087
38	117,289	38	117,289	140	15,411	678	2,583,112	818	2,598,523
45	171,240	45	171,240	151	15,519	660	2,671,713	783	2,685,024
30	97,629	30	97,629	120	12,527	675	2,826,614	795	2,839,141
29	135,797	29	135,797	105	10,134	630	2,714,150	735	2,724,284
23	106,963	23	106,963	96	10,303	562	2,537,339	658	2,647,642
18	60,723	18	60,723	102	10,587	583	2,977,397	685	2,987,984
44	143,214	45	143,338	95	9,803	617	3,194,484	712	3,204,287
24	76,943	24	76,943	93	10,030	596	3,112,631	689	3,122,661

ED.

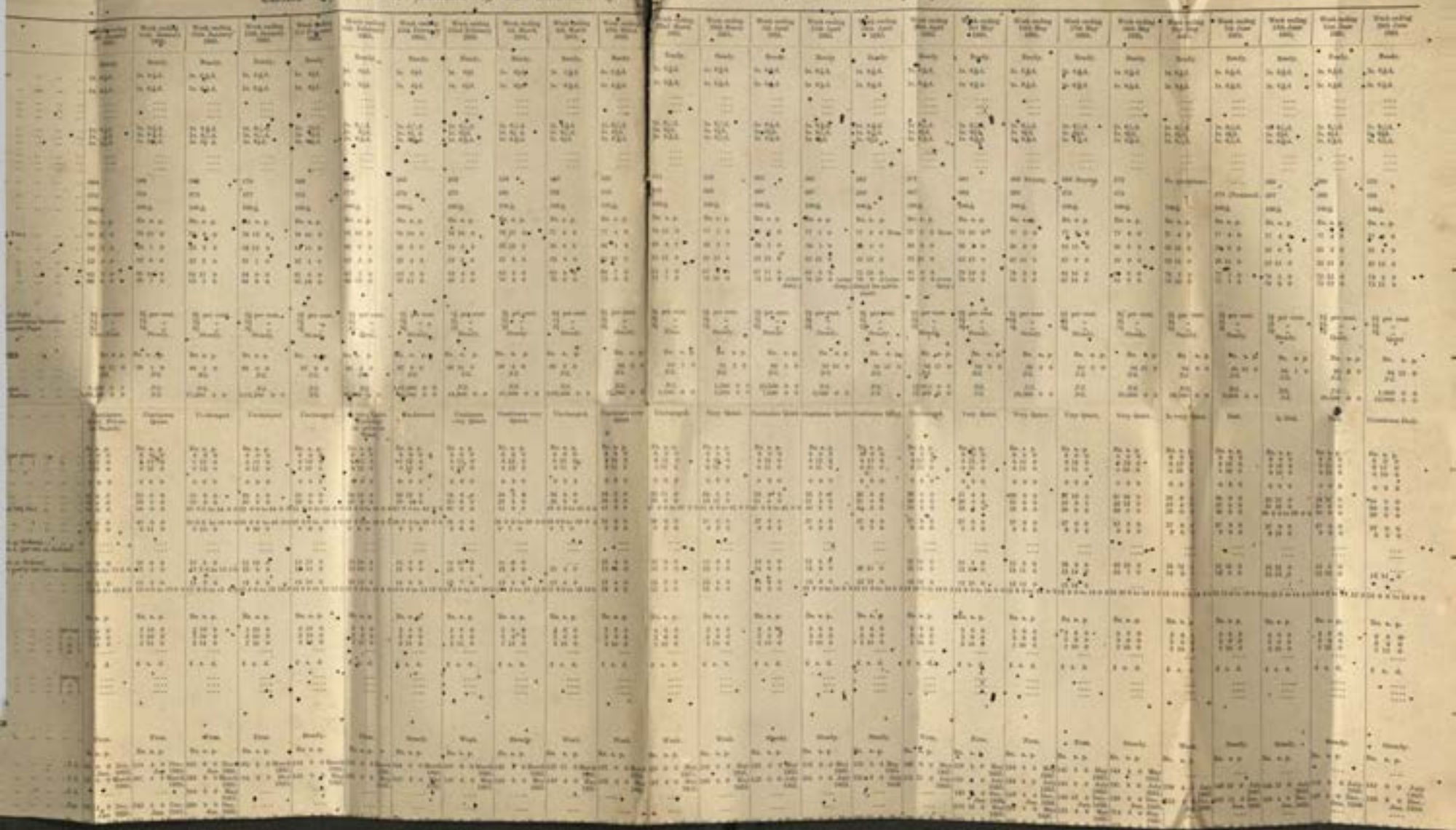
83	307,975	85	308,408	129	14,849	499	1,961,407	628	1,976,256
49	166,899	53	167,742	83	9,691	451	1,730,316	534	1,740,009
70	272,770	74	273,834	119	13,808	489	1,935,300	608	1,949,108
84	333,836	91	334,998	94	10,947	431	1,772,267	525	1,788,214
61	240,467	61	240,462	101	11,383	483	1,929,269	584	1,940,652
70	253,734	71	253,984	82	8,349	519	2,210,235	600	2,218,512
72	277,934	73	277,990	85	8,241	546	2,364,467	631	2,372,808
65	244,762	68	248,085	80	7,884	498	2,231,618	578	2,239,502
54	215,836	55	215,892	70	6,008	483	2,399,718	553	2,406,326
60	222,535	63	222,812	84	8,135	530	2,849,806	614	2,857,941
47	199,275	54	199,833	101	10,309	525	2,884,005	626	2,894,314
42	125,192	42	25,241	88	9,087	505	828,807	593	2,837,894

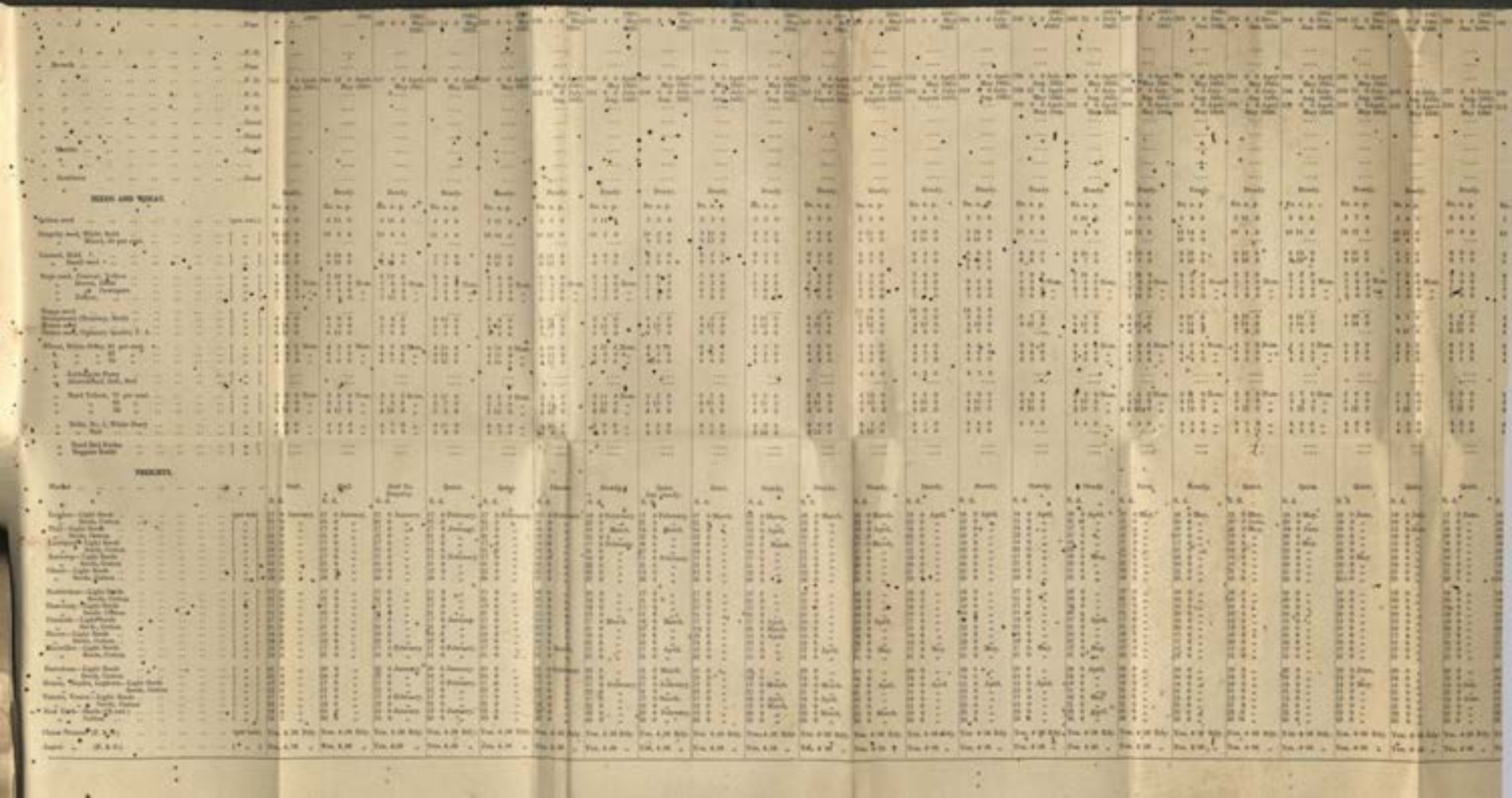
The Times of India Press, Bombay—J. 133·36.

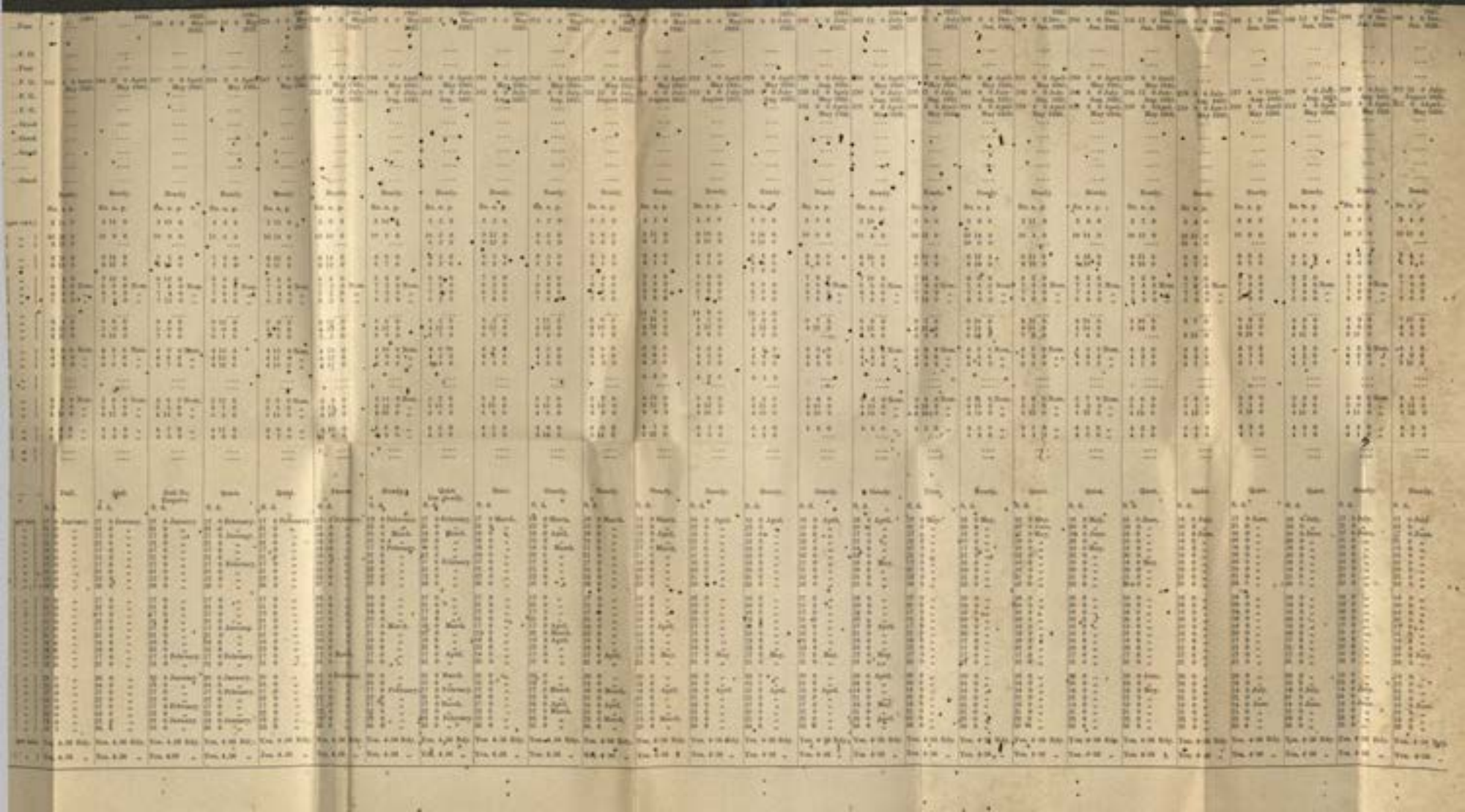
Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1935.



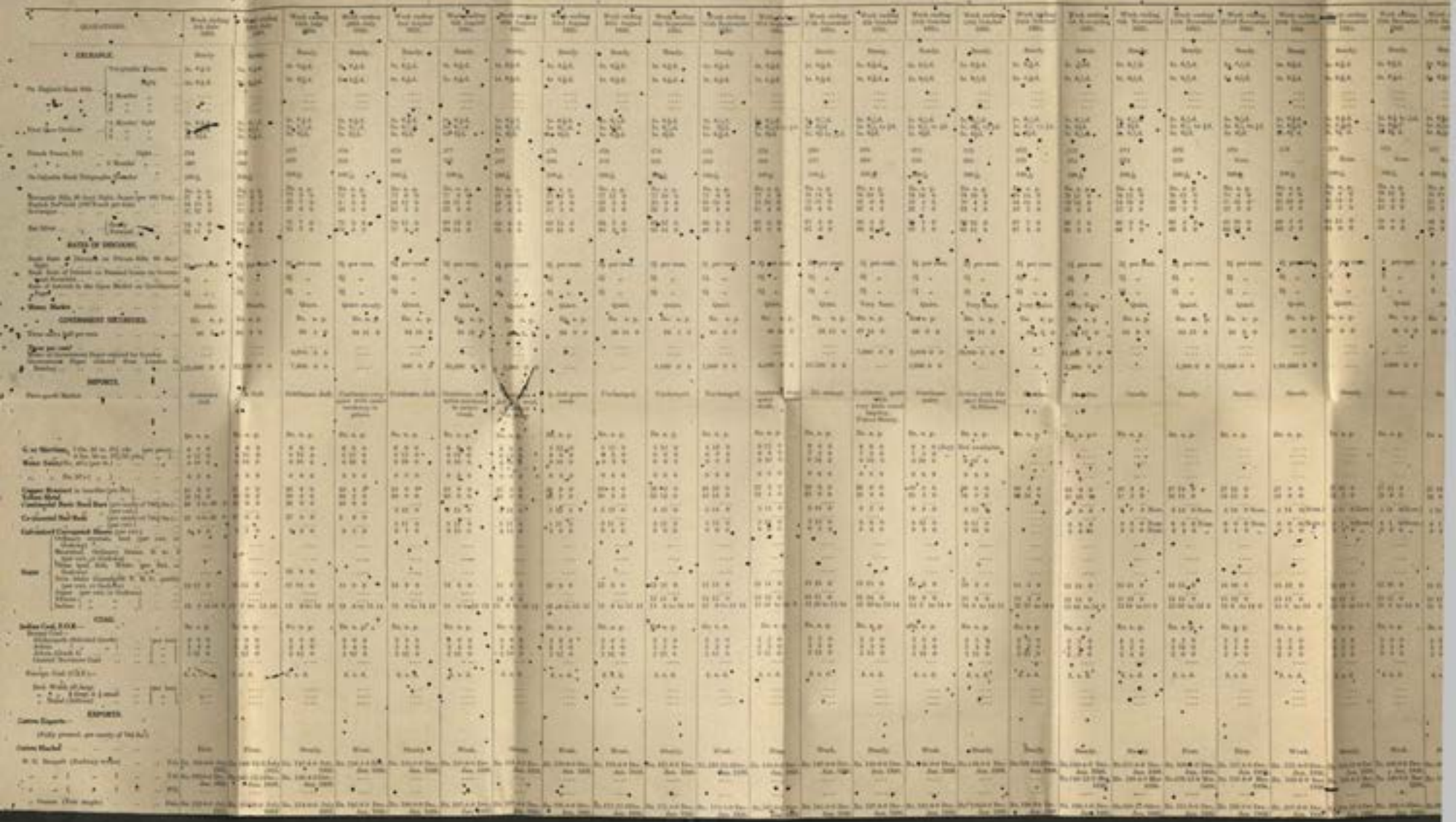
Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1935.



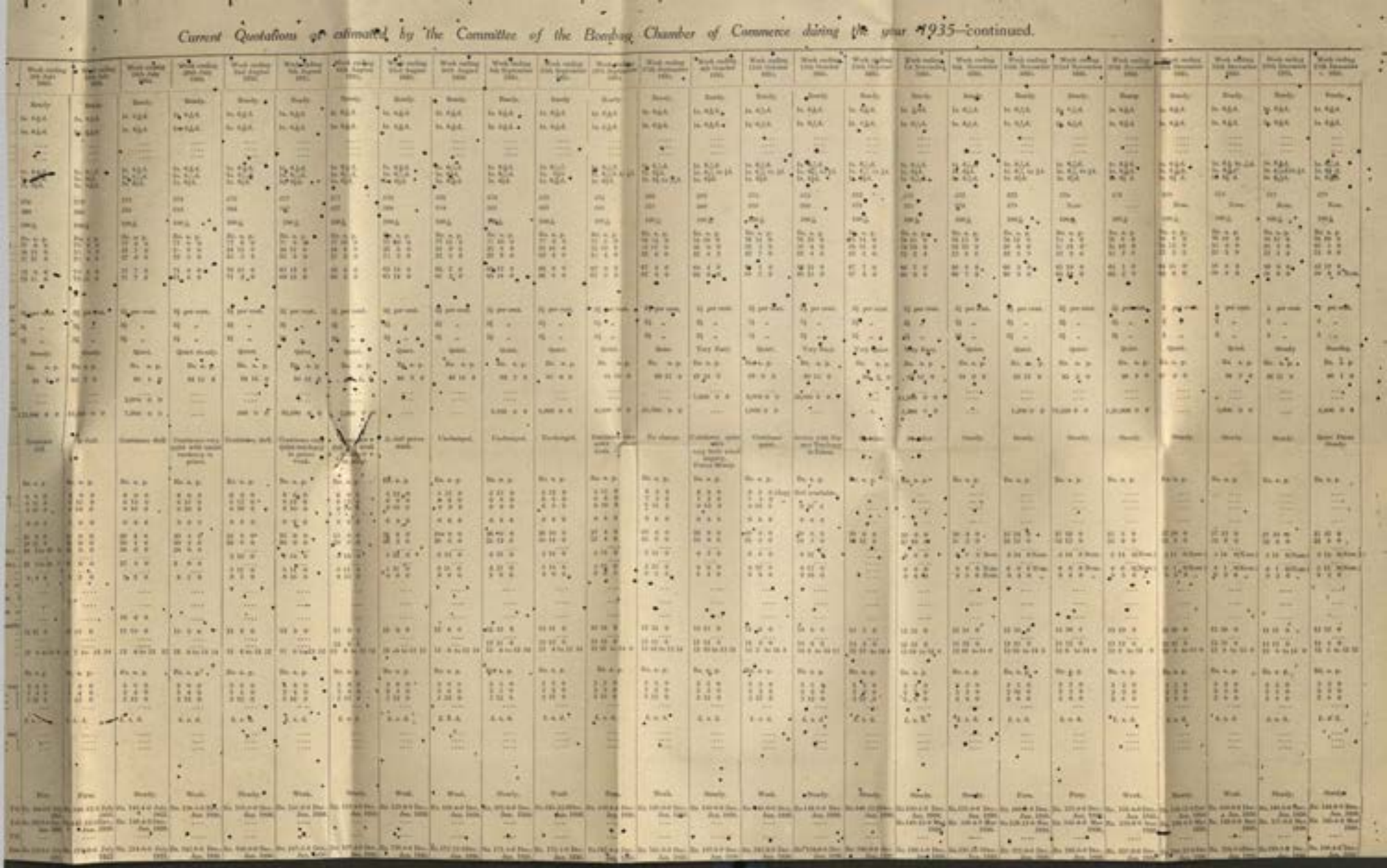


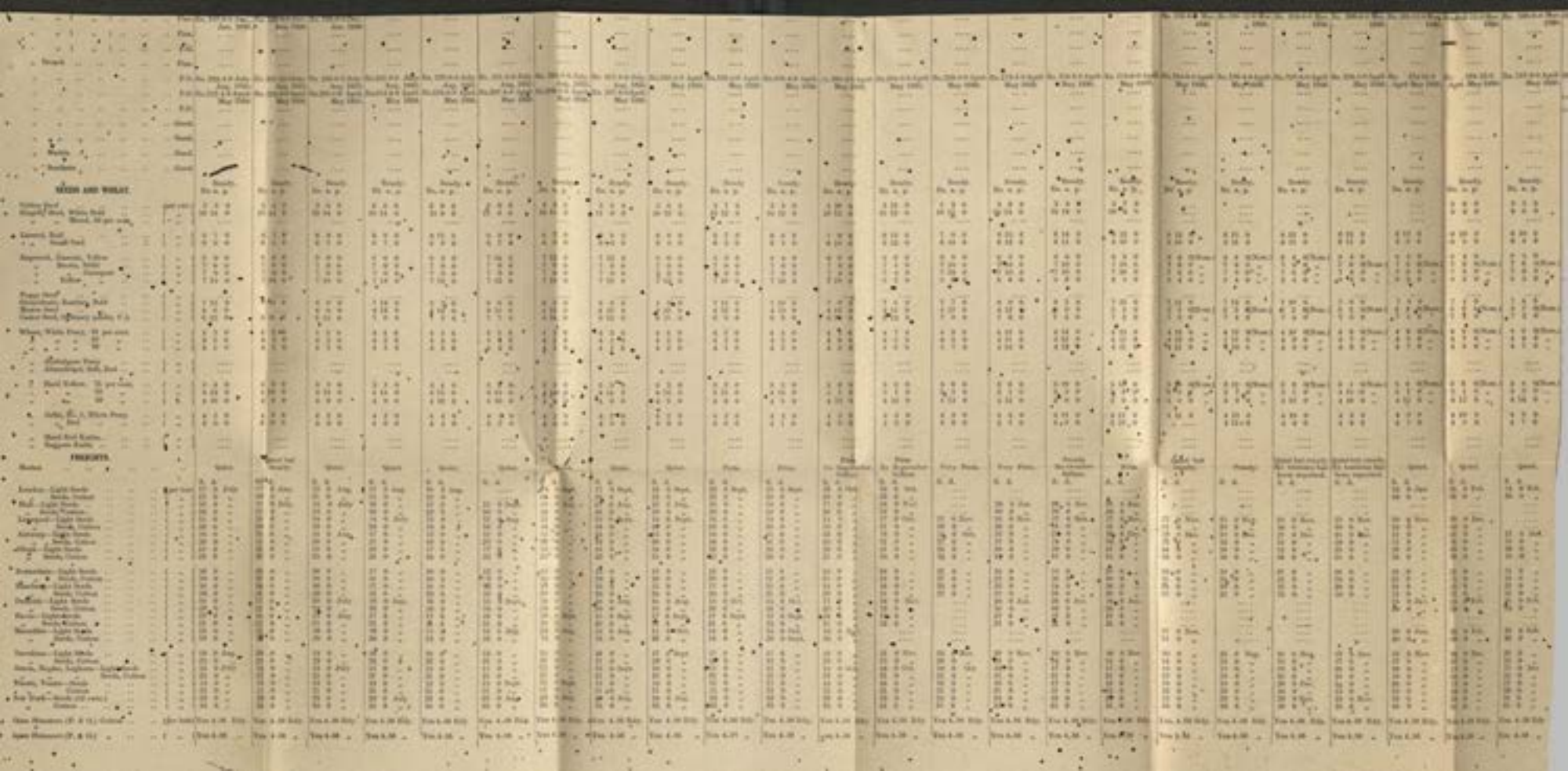


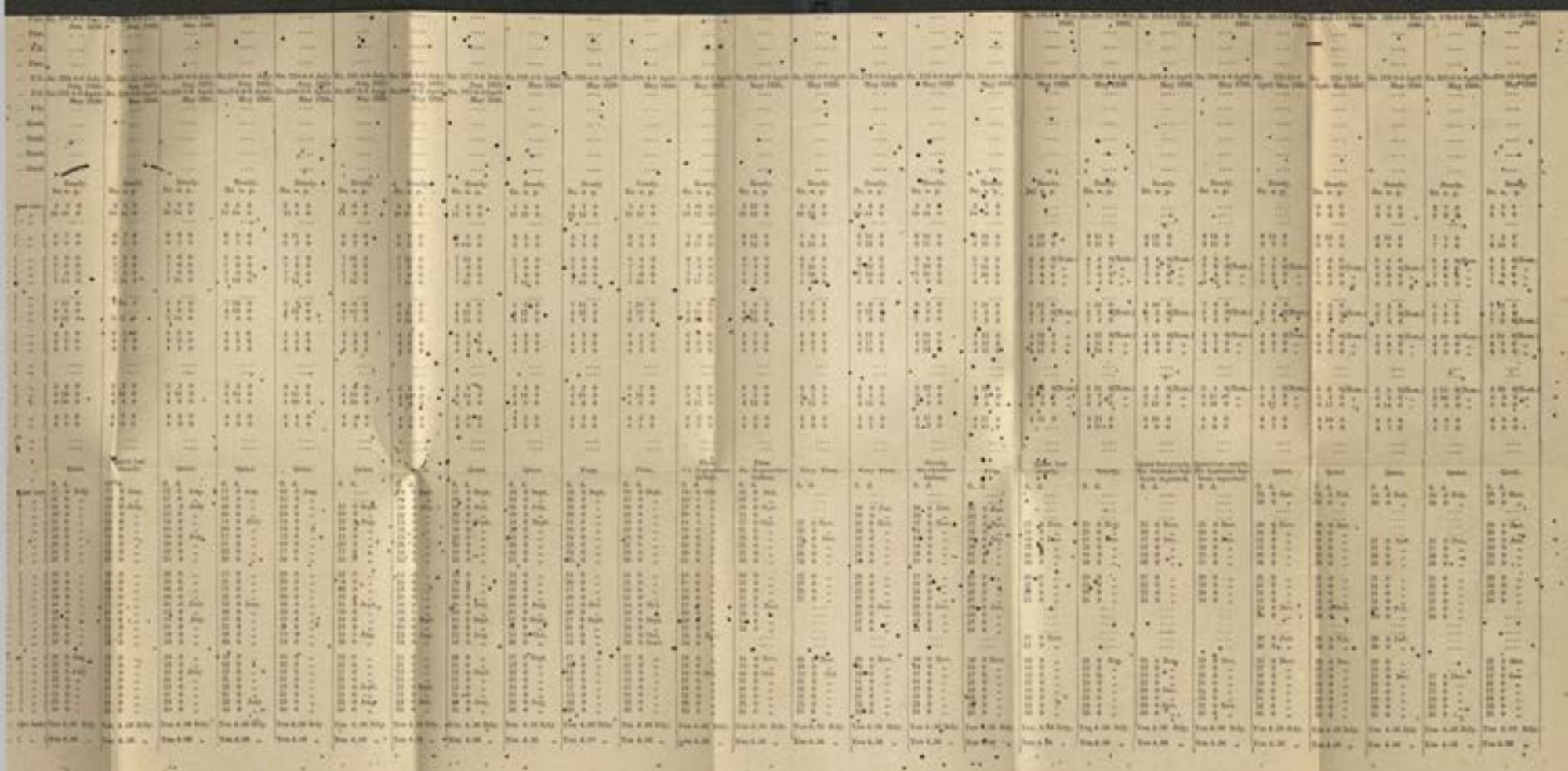
Current Quotations as obtained by the Committee of the Bombay Chamber of Commerce during the year 1935—continued.

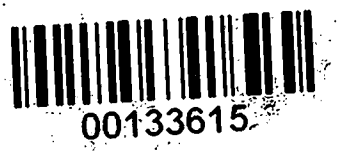


Current Quotations as estimated by the Committee of the Bombay Chamber of Commerce during the year 1935—continued.





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